

# THE INDEPENDENT

Friday 19 December 1997 (IR50p) 45p No 3,486

IN THE 28-PAGE EYE TODAY

**Sex violence and the man who made Basic Instinct**

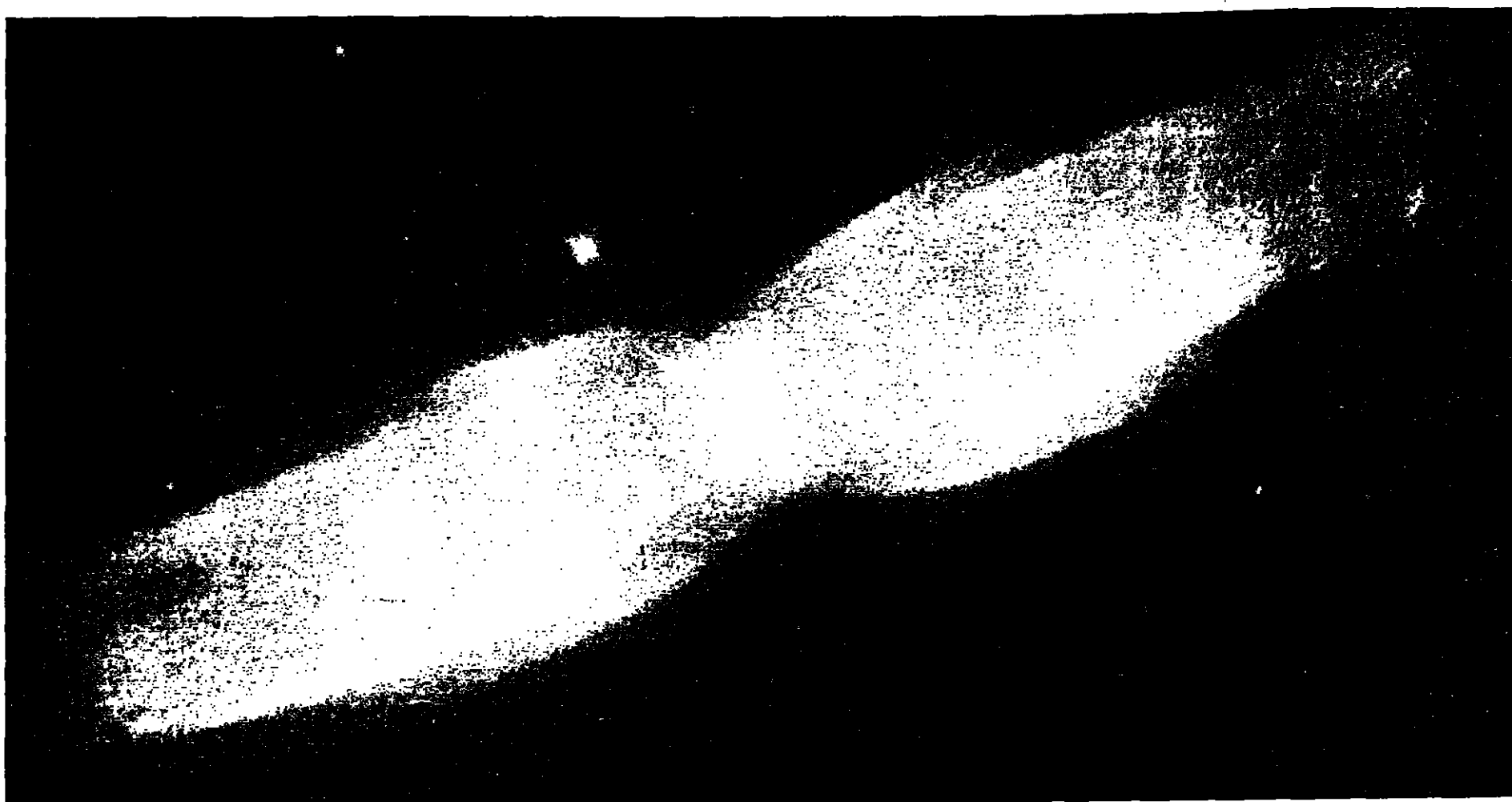


**Eisenstein: Joker and genius**



**From Doors to Joy Division: Best boxed pop of the year**

## Butterfly in the night sky, 1,200 years ago



Watch this space: A 'butterfly' nebula, a star throwing out hot gases at speeds of 720,000mph, photographed by the orbiting Hubble space telescope. Known as M2-9, the star is 2,100 light-years away and the explosion that we see started 1,200 years ago, according to astronomers, so the plumes visible now have been growing for hundreds of years.

### TODAY'S NEWS

#### Hindley loses appeal against sentence

The Moors murderer Myra Hindley failed in her High Court attempt to escape a lifetime in jail. Lord Bingham, the Lord Chief Justice, and two senior judges unanimously ruled that the Home Secretary is entitled to decide that she must die in prison. The judges said that he is free to operate a policy that life sentences for the most notorious killers "will mean life" - as long as individual cases are kept under review. She was given leave to appeal. Page 11

#### Why sex is a lifesaver

Sex is good for you - and the more of it the better, according to a new study. Researchers found that men who had orgasms at least twice a week had half the risk of dying over the next 10 years, compared with those who had orgasms less than once a month. Page 7

#### Video nasties targeted

Britain's new film and video censor is to launch an immediate review of certification rules to prevent ultra-violent videos getting into the shops. Andreas Whitcam-Smith said his priority was to prevent children from seeing unsuitable material. Mr Whitcam-Smith, 60, founding editor of The Independent, was formally appointed president of the British Board of film censors yesterday by Jack Straw, the Home Secretary. Page 5

## Rape victims to be spared the shame of telling their sexual history

Rape victims who fear having their sexual past paraded in court could be protected by changes being considered by ministers. That should help to raise the numbers of rapists convicted, which have plummeted.

Police regularly broke Home Office guidelines which said a case could only be discarded as "no crime" if a woman's allegation proved false. But that often happened when the woman withdrew or there was insufficient evidence.

A study of 300 cases by the Home Office Research and Statistics Directorate said police found "no crime" in 72, just 27 of which were false or malicious. A file was sent to the Crown Prosecution Service in just one third of cases, and a quarter reached court.

The findings, to be followed by a final report next year, will give new impetus to a ministerial review on vulnerable witnesses which is already considering a range of options to tackle low conviction rates in rape cases.

But while the number of offences recorded rose from 1,842 in 1985 to 5,759 in 1996, convictions fell from 34 per cent to 10 per cent. Worse, only about three-quarters were even recorded.

was not admissible but had his decision overturned at appeal.

One possibility would be to allow the prosecution to retaliate when a woman's background was used against her, allowing the defendant's own sexual history to be mentioned - including sex convictions.

Other options include rules preventing defence barristers from claiming that a delay in re-

Fear of having embarrassing and prejudicial private details revealed in court is a prime reason why women decide to drop their cases. Those who know their attackers well are also less likely to proceed.

The Home Office research found that women over 35 were less likely to get to court, along with those who had consensual relations with their attackers

witness. "That might be because she is black or she is out late at night," Professor Lees said.

Her latest research, to be published shortly, found that of 109 recorded rape cases just nine resulted in convictions. Of those, six were by strangers and three by acquaintances. Two of those three were gang raped and the third was raped by a man 30 years younger than her. Not one man was convicted of one-to-one marital or date rape.

Few older women saw their rapists convicted, she said. "My impression is that there are very few convictions relating to women over 35. It is quite likely that those women are either cohabiting or married, and that their partners don't want them to go ahead. In cases of marital rape, they may be intimidated. There are all sorts of repercussions," she said.

A Home Office spokeswoman confirmed that curbs on defence barristers' use of sexual history evidence and of the

amount of time a woman took to report a rape were under consideration. The review, which was looking at vulnerable witnesses in all kinds of cases, would be completed by the end of the month and would report early in the new year.

In a written parliamentary reply to the Liberal Democrats, the Home Secretary Jack Straw said: "The government are very concerned about the low proportion of reported rapes that result in a conviction. We need to know precisely why."

Richard Allan, Liberal Democrat home affairs spokesman, said his party was conducting its own review. "Anyone would think twice if they thought their sexual history would be revealed," he said.

John Wadham, director of Liberty, welcomed the move but said a balance must be struck.

"We would accept that maybe there needs to be some changes but obviously we need to protect defendants from being wrongly accused," he said.

BY FRAN ABRAMS

porting the crime suggested a complainant consented but then got "cold feet."

The group is also looking at whether it might be made easier to bring cases in which a number of women accuse the same man.

Earlier this week The Independent reported that the review was also likely to give judges the right to prevent defendants from cross-examining witnesses.

before the rape and those who suffered few physical injuries.

Professor Sue Lees of the University of North London, who published her own research on the subject in a book called *Carnal Knowledge: Rape on Trial*, said official statistics were distorted because so many crimes were not even recorded.

Often police said there was no crime when they thought the woman would not be a credible

## Iran to restart talks on Rushdie fatwa

The Iranian government hopes to re-start negotiations over the 'fatwa' death sentence against British author Salman Rushdie now that EU ambassadors have returned to Tehran, the new Iranian minister of Islamic Guidance, Seyyed Ataollah Mohajerani, has told The

Independent. Western diplomats in Tehran want a letter from the Iranians which effectively overturns the late Ayatollah Khomeini's 'fatwa' against the author.

The Iranians are prepared to put their names to a letter which says that they are not go-

ing to kill Rushdie - but they will not officially overturn a religious edict.

Mr Mohajerani is one of the most liberal figures in the new government of President Mohamed Khatami. When he gave evidence to the Iranian parliament on 20 August, he said:

"We can be against people's ideas but that does not mean we should be allowed to insult them... if an intellectual expresses his theories, we should criticise him in a respectable way - and in this way we enrich our society. It is a great tragedy when a nation which has created

so much civilisation and culture, uses bad language [against writers]."

And he added: "Islam is not like a small, dark alley in which man constantly hits his head against a wall and can't survive. Islam is like a highway, a road full of growth and hap-

piness which a Muslim walks through all his life."

Mr Rushdie was sceptical yesterday about suggestions that the Iranian position has softened. "My own attitude is: wait and see," he told The Independent.

Rushdie's future, page 9



TELEVISION The Eye, page 12  
CROSSWORDS Page 30 and  
the Eye, page 9  
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## Nobel laureate says UK is stalling on landmines

Labour has made much of its ethical approach to arms dealing and the abolition of landmines. However, Steve Boggan finds that some in the worldwide anti-mines movement think the Government isn't doing enough.

A British Nobel peace laureate has accused the Government of dragging its feet over the ratification of a treaty designed to ban the use, production, transfer and stockpiling of landmines.

Rae McGrath, who delivered the Nobel lecture on behalf of the International Campaign to Ban Landmines, which won

the peace prize, said yesterday that Tony Blair's government was lagging behind others in ensuring that the treaty was incorporated into international law.

The treaty was signed by Britain and 121 other countries in Ottawa, Canada, two weeks ago, but Mr McGrath remains critical of Mr Blair and Robin Cook, the Foreign Secretary. In order to become law by December 1998 - the date earmarked by landmine campaigners - 40 countries must adopt it as domestic law by June next year.

Labour insists that it intends Britain to be one of these 40, but Mr McGrath, one of the founders of the International Campaign to Ban Landmines (ICBL) - so beloved of the late Diana, Princess of Wales - told *The Independent* that he felt the Gov-

ernment would not make the deadline.

"They did sign it only two weeks ago, but the details and content of the treaty were actually drawn up at a conference in Oslo last September," he said. "That gave the bureaucrats plenty of time to frame the legislation necessary for a Bill to be presented to Parliament as soon as the treaty was signed. But, as far as we can tell, nothing has happened."

Mr McGrath, a former army engineer and one of the founders of ICBL, was chosen to give a lecture to the Nobel committee in Oslo earlier this month following the award of the £625,000 peace prize to the American Jody Williams and the ICBL, which she co-ordinates. He said: "I simply can't understand it. Here is a perfect op-

portunity for Robin Cook to show his ethical credentials, but either he or his civil servants appear to be dragging their feet. Canada, Ireland and Mauritius have already ratified the treaty, so why haven't we?"

Mr McGrath was supported by the Mines Advisory Group, which said that Macedonia, Italy, Austria, Norway and Belgium were close to ratifying the treaty.

"At the moment, we have a moratorium on landmines in the UK, but there is a coda that says our troops may use them in 'exceptional circumstances' until the treaty becomes international law," said Tim Carstairs, International Policy and Research Officer. "I find that no less than despicable, given that we haven't done anything to ratify it yet."

According to the Red Cross, 2,000 people are maimed or killed by landmines every month - or one every 20 minutes. There are now more than 119 million hidden landmines in more than 70 countries, the worst affected being Iran (16 million mines), Angola (15 million), Iraq (10 million), Afghanistan (10 million), Cambodia (10 million), Bosnia Herzegovina (up to 6 million) and Egypt, which is thought to have up to 23 million, many left over from the El Alamein campaign during the Second World War.

The Foreign Office said criticism of the Government was unfair as it was committed to ratifying the treaty, but a spokesman was unable to say whether the June deadline would be met.

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## Revolution falters as CD-Roms fail to excite the young

CD-Rom, the 'edutainment' medium for the new Millennium, appears to be losing its lustre. Dorling Kindersley, a one-time trailblazer, yesterday announced that it was shedding jobs in its multimedia division. Cathy Newman asks whether CD-Roms have a future.

In theory, the CD-Rom is the ideal entertainment medium: words, pictures, sound, animation, film clips and graphics. All on a little silver disc you slip into your computer. Small wonder then that information technology (IT) and publishing companies scrambled in the early-Nineties to get into what many saw as a sales goldmine.

But, increasingly, it seems they were pursuing fools' gold. Dorling Kindersley's announcement yesterday that it was shedding 85 jobs in its multimedia division is only the latest in a series of blows to hit CD-Rom publishers.

News Multimedia, part of Rupert Murdoch's global media empire, scaled down CD-Rom production at the beginning of the year. The big United States publisher, McGraw-Hill, was forced to rethink its multimedia operations last summer because it was struggling to get shelf space in stores for its entertainment CDs.

Matthew Richards, editor of *PC Guide*, explains: "Multimedia hasn't lived up to the expectations publishers had for it. Two to three years ago it was seen as the Holy Grail. Sales just haven't backed that up at all."

Part of the problem stems from book publishers' assumption that all they had to do was transcribe their books onto a disc. The results were boring to look at and difficult to use.

Andreas Whittam-Smith, founder of *The Independent*, and chairman of Notting Hill, an electronic publishing company, says: "If all you're doing is putting a book on the screen, as many have done, it's no good at all."

Many CD-Rom publishers have also got it badly wrong in assuming people would buy weird and wonderful titles, few of which appeal to the mainstream consumer.

Roland Waddilove, editor of *PC Home*, estimates that only around the top 10 per cent of CD-Roms - titles like Microsoft's encyclopedia, *Encarta* - make any money. Some companies have sold fewer than a hundred of some of their more obscure offerings. Little wonder, he says, that they are now weeding out unsuccessful titles.

"I think we'll see companies focusing on



Screen generation: Two brothers playing on the family computer - but the market for CD-Roms has not lived up to expectations Photograph: Andrew Buurman



CD-Rom from Dorling Kindersley

their top-selling products and forgetting the rest," Mr Waddilove says.

Another reason customers have left CD-Roms gathering dust on the shelf is that they have begun to get their first - and often cheaper - taste of true interactivity via the Internet.

The World Wide Web, Mr Richards believes, is far more appealing to new media enthusiasts than many CD-Roms on the

market. "People are much happier clicking onto the Internet rather than spending between £30 and £40 on a CD-Rom," Mr Richards adds.

Despite the general disappointment some publishers, such as Europress - which makes a range of edutainment discs called Fun School - have managed to make a go of it. Its CD-Rom, *International Rally Championship*, is rubbing shoulders with the best-selling games on disc.

So despite the bandwagon having come to a jarring halt several times, aficionados believe the new medium still has something going for it. As Matthew Richards explains: "You can do things with CD-Roms you just can't do with books."

Dorling Kindersley is putting a brave face on yesterday's job cuts. Rod Hare, group managing director of Dorling, takes heart from upbeat forecasts for UK CD-Rom sales, which are predicted to grow from 43 million this year to 60 million next.

He is confident that Dorling will do well out of the CD-Rom market, not least because of the firm's direct-selling operation where sales staff demonstrate discs in potential buyers' homes.

The main problem, from the manufacturer's if not the customer's point of view, is that CD-Roms are selling for less than they used to. "Retail prices have come down," he says, "so revenue generated is less than we'd like it to be."

## Cyberpets superseded as girls seek perfect boy for virtual romance

He is your ideal man. You can mould him into a gorgeous hunk and be the envy of all your girlfriends - and all for less than £20. The catch? He only exists in cyberspace. Glenda Cooper, Social Affairs Correspondent, looks at the latest craze to sweep Japan - the virtual boyfriend.

It has been described as "boyfriend tamagotchi" - a virtual beau whom girls can make into the hunk of their dreams. But like the virtual pets that took Britain by storm earlier this year, you have constantly to look

after your boyfriend to keep him happy and make sure he grows up nice and polite. Or at least that's how it works in Princess Club Pocket 2, "Operation Boyfriend Makeover" - a game aimed at high school girls which is played on the hand-held Gameboy console.

According to Atlus, the company that developed Operation Boyfriend Makeover for Nintendo, you have a year to turn your virtual boyfriend into a desirable Adonis so you can look good together on graduation day.

There's a note of warning however - if you screw up, he could end up with a greasy biker or, horrors of horrors, a boy who likes to pick flowers. In the words of the press release: it's a "love love romance game [sic] ... that will make you giggle."

So how do you do this? Basically Operation Boyfriend Makeover works through conversation and role-playing.

You meet your virtual boyfriend at school, listen to what he says, spot the hints that he may be about to do something naff, and advise him not to. You even guess where he might hang out when he's not in school, and go there.

You pick up information about him through your virtual girlfriends, to see whether he has the right sort of hobbies and personality. You give him presents, hoping that they will be the right sort and he won't throw them back in your face.

Players also get to compile a photo album of key romantic moments with their virtual boyfriends, and to swap notes with their virtual mates to see

who has the cutest guy. You do get to go on a date together, but feminist thinking hasn't made much headway in Operation Boyfriend Makeover so you can't ask him out - you have to manipulate the conversation in such a way that he asks you out.

Dr Mark Griffiths, senior lecturer in psychology at Nottingham Trent University warned that virtual boyfriends was not necessarily a "healthy thing".

"How do people then cope in the real world?" he asked. "Virtual relationships do not work like real relationships ... By producing the ideal date you're conditioning someone as you go along, turning them into someone you want them to be."

There are no plans yet to bring the £19 game to Britain.

# ARMANI



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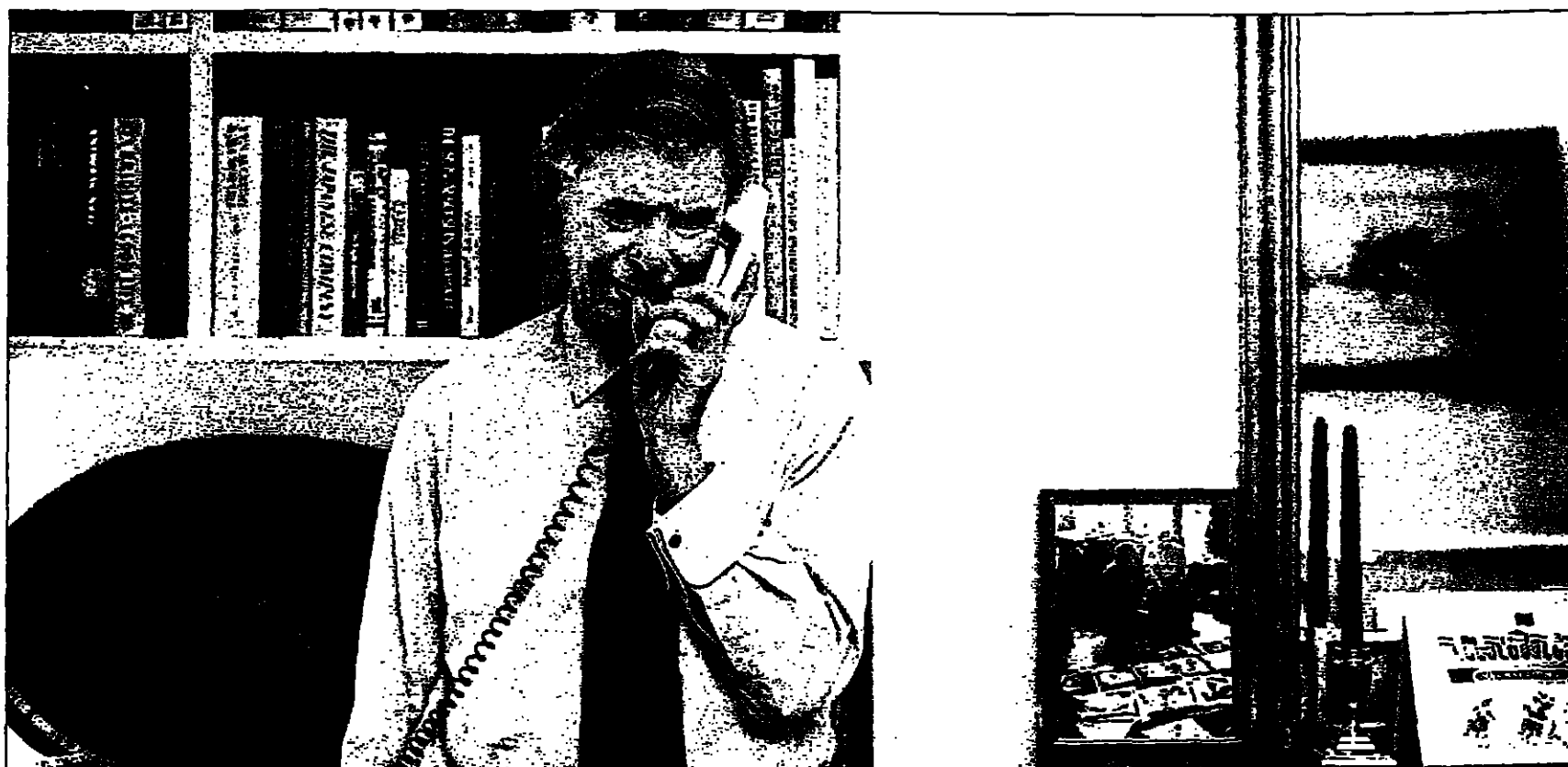




# 5/CENSORSHIP

## New film watchdog more bothered by violence than sex

Britain's new film censor is far more concerned about violence than sex on screen. But Andreas Whittam Smith may find his tolerance of the latter tested when he faces up to his first controversial judgement on the new version of *Lolita*. He talked to Media Editor Rob Brown about the challenges of his new post.



Well-connected: Andreas Whittam Smith, founder of *The Independent*, who takes over on 1 January as Britain's new film censor  
Photograph: John Voss

Andreas Whittam Smith is, by his own admission, much more squeamish than most cinemagoers when it comes to watching films. Up to now, he has tended to avoid anything involving gore and violence.

So he had to think long and hard about abandoning this life-long policy and making a tough New Year resolution to confront all the awful images he studiously avoided for the first 60 years of his life.

"I am going to see some disgraceful things," said the new president of the British Board of Film Classification, with more than a hint of disgust in his voice.

"I will, for example, have to distinguish between varying degrees of bondage. But I hope to preserve a certain innocence and not be hardened by what I watch."

For some, this statement will confirm the "very saintly" reputation which this clergyman's son developed soon after he founded *The Independent* just over a decade ago and committed this title to a range of rigorous ethical policies, such as a boycott of the lobby system at Westminster, which some rival publications lampooned as pious. But Mr Whittam Smith's

concern about video violence is evidently shared by a growing percentage of the British population.

His outlook is certainly shared by the Home Secretary, Jack Straw, who appointed him specifically to address what he saw as the BBFC's failure to respond to

public concern on this issue.

"I regard this as an important job and see my prime task as helping parents to regulate their children's viewing," said Mr Whittam Smith, adding: "Rows have tended to relate to issues of violence because there is growing research evidence that vi-

olent images do affect behaviour. There is no evidence that sex on screen has the same harmful effect." He is referring to sex between consenting adults; of course, paedophilia is different, which is why he and his fellow board members will have to think long and hard before deciding what to do

with the new version of *Lolita*, due for classification in this country in April.

"I don't know what we'll do about that one, but obviously the problem of paedophilia is at the front of many people's minds," said Mr Whittam Smith, who plans to watch the earlier adaptation of

Nabokov's controversial novel before passing judgement on the latest version, starring Jeremy Irons.

Whatever decision they reach it shouldn't be too long before we are told the reasons behind it.

In a dramatic shift from away from its traditional policy, the BBFC will start to offer up a public explanation for its most controversial decisions.

The man who championed freedom of information in his time at the helm of this newspaper is strongly in favour of such glasnost: "Obviously, we can't throw every decision open for debate as we go along, or nothing would ever get classified, but we should, retrospectively leave a trail behind us, because we have quite an influence on what people in this country get to see."

He has seen three films in the past month - *L4 Confidential*, *One-Night Stand* and *The Full Monty* - which he describes as "completely representative" of his general taste in films. Film buffs will observe that this is a fairly varied choice, but the trio have all one thing in common: none depended on extreme violence for impact.

## High hopes that tide can be turned

Can Britain's new film censor make a real difference in what appears on Britain's screens, big and small? The Home Secretary obviously has high hopes that Andreas Whittam Smith can do something to stem the mounting tide of video violence.

His first crucial decision as president of the BBFC - a post he takes up on 1 January - will be to appoint a new director to replace the man who has effectively controlled film censorship in this country for the past two decades - American-born James Ferman.

Mr Ferman, 67, sparked a major controversy this year when he approved the highly controversial sadomasochistic film *Crash*. This film was later banned by some local authorities.

Councils still retain that prerogative and will continue to exercise it. "I want the board to be very in touch with local authorities," says Mr Whittam Smith.

He is certainly more relaxed

about elected councils in this country having some say about what films get screened in their neighbourhoods than he is about Brussels bureaucrats taking over this task.

Although a Europhile, he firmly opposes calls for a pan European film and video classification system.

"I see this as a perfect example of an area in which the principle of subsidiarity should favour regulation by individual countries rather than EU institutions," he says.

Britain's new film censor is certainly aware of the fundamental challenges the communications revolution is throwing up for film censors worldwide. Having founded an electronic publishing company called Notting Hill Media with his eldest son Ben, he has a lot of hands-on experience in this area and plans to bring it to bear in his new role.

In Andreas Whittam Smith's own words, he "won't be asleep at the switch".

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# 7/SEX & DRINK



Clint Eastwood and Meryl Streep in *The Bridges of Madison County*. A Welsh study links sex with longevity

## The truth about sex: more of it makes you live longer

Sex adds years to life as well as life to years.

Jeremy Laurance, Health Editor, considers research which shows that men who have more orgasms live longer.

Sex is good for you and quantity does matter – at least for middle-aged men, according to a study in Wales. They cut their risk of dying by 36 per cent – more than a third – for every 100 orgasms they have a year.

The finding could mean the addition of "at least twice a week" to the usual health advice given by doctors of "at least five a day" (pieces of fruit and

veg) and "no more than two or three" (drinks).

But the researchers caution that before sex becomes available on prescription further work to confirm the findings needs to be done. They also warn of the potential destabilising effects on society.

The study of nearly 1,000 men aged 45 to 59 in Caerphilly and neighbouring villages found those who reported "high orgasmic frequency" – twice a week or more – had half the risk of dying over the next 10 years compared with those who had "low orgasmic frequency", less than once a month. The men were questioned as part of a larger study between 1979 and 1983 and 150 of them died in the next 10 years. The researchers found

that the risk of dying was directly related to the number of orgasms – the more they had the lower the risk.

George Davey Smith and Stephen Frankel, professors of epidemiology at Bristol University, and Dr John Yarnall of Queens University, Belfast, say in the *British Medical Journal*, that their finding is in line with most previous research which has shown that longevity is linked with frequency of sex in men but with enjoyment of intercourse in women.

The finding runs counter to much folk wisdom that the pleasure of male intercourse is secured at the cost of wellbeing. In the early 20th century the idea that sexual restraint preserved vigour gained scientific respectability. The poet

WB Yeats was one of the most famous patients to undergo an operation known as the Steinach procedure to tie the vas deferens – the tube linking the testicles with the penis. This produced a physiological form of celibacy said to stimulate sexual performance. In Yeats' case it appears to have been successful as he became known to Dubliners as "the gland old man".

In a commentary on the Caerphilly study two specialists from Kings College School of Medicine, London pour cold water on the findings. They say that declining sexual activity could be a sign rather than a cause of ill health leading to death. "Sexual activity is downstream in the direction of causality from disease."

## ... and a few drinks can be a good medicine, too

Christmas drinkers can celebrate – modestly. Britain's most famous medical researcher has concluded that alcohol is good medicine.

Jeremy Laurance, Health Editor, explains how it can prevent disease.

There is now "massive evidence" that a couple of drinks a day is good for health, according to Sir Richard Doll, the UK's most eminent epidemiologist.

It does not matter whether the drink is beer, wine or spirits – it is the alcohol that confers the protective effect, principally by reducing heart disease and stroke. Two or three drinks a day is the ideal – cutting heart disease in men over 45 by a third – after which mortality starts to rise again because of an increase in diseases associated with alcohol, such as cirrhosis of the liver and oral cancer. But only when consumption rises to seven drinks a day does mortality for the drinker exceed that for a teetotaler.

The optimum level of drinking for women is somewhat lower, partly because of their smaller size but also because they have a lower risk of heart disease, greater susceptibility to liver damage and a higher risk

of breast cancer, which increases by 10 per cent for each drink additional to the optimum taken on average each day. A drink is equivalent to a half pint of beer, small glass of wine or single measure of spirits.

There is no evidence that drinking reduces mortality in people under 45 who are at lower risk of dying from heart disease. Since drinking at all levels increases the risk of accidents, in younger people, this outweighs any benefit to the heart.

Sir Richard, whose work 20 years ago established the link between smoking and lung cancer, says in the *British Medical Journal*, that there is no greater benefit from drinking wine, despite what some studies have shown.

The apparent benefit derives from different styles of drinking. Wine drinkers tend to drink small amounts regularly, gaining the greatest benefit, while beer and spirit drinkers tend to binge on one or two days a week.

Sir Richard concludes: "People should be treated as adults and should be told the facts. These still need to be refined in detail but in broad outline they are quite clear."

"In middle and old age, some small amount of alcohol within the range of one to four drinks each day reduces the risk of premature death, irrespective of the medium in which it is taken."

## Agony and ecstasy

Eat, drink and be merry this Christmas and help psychologists count the cost of having a good time. At least 100 people are being asked to help researchers at the University of Hull understand the relationship between drinking, laughter and health.

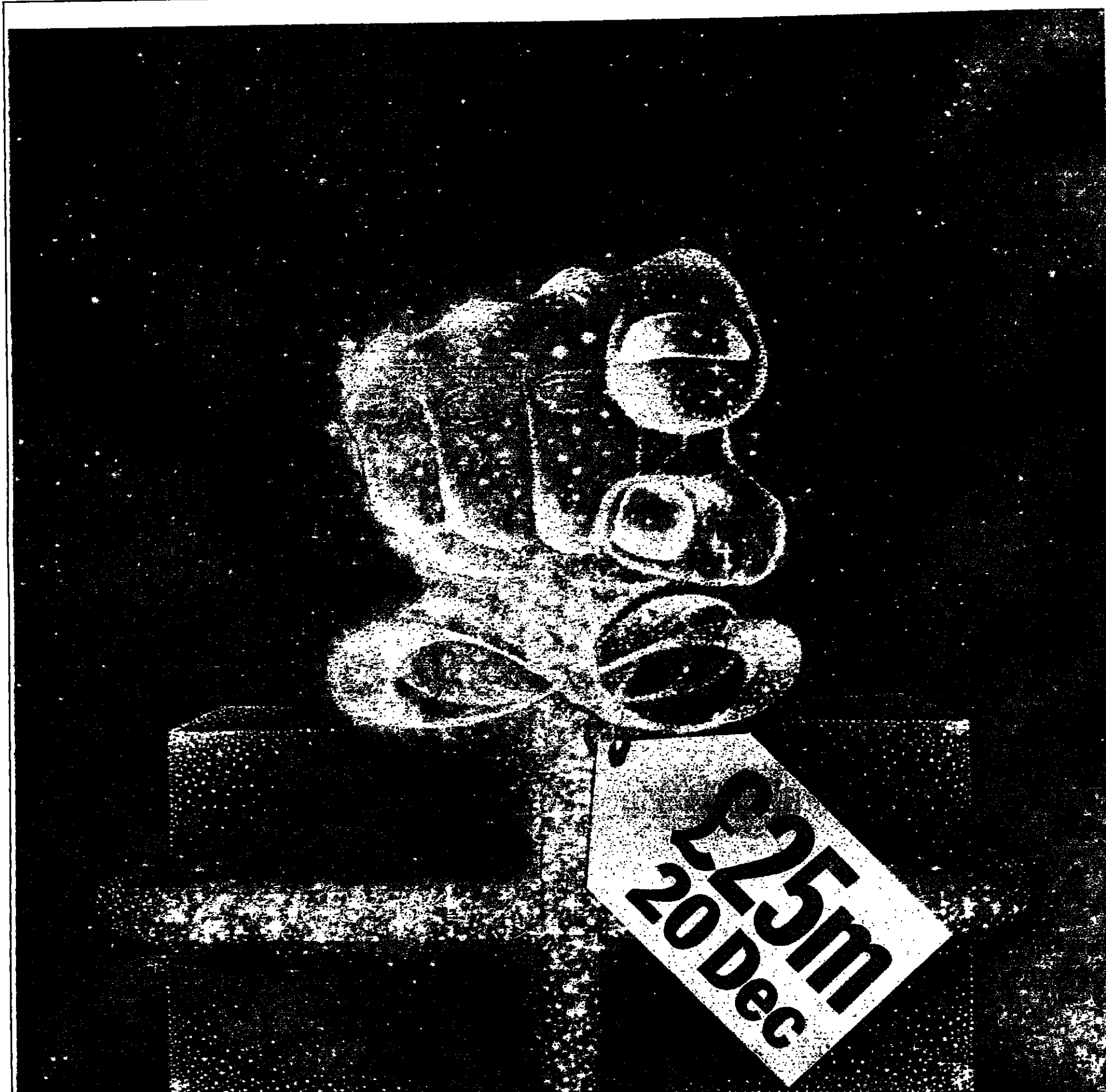
One of the aims, according to Dr Geoff Lowe who specialises in the study of pleasure and enjoyment, is to discover the extent to which the pleasure of eating and drinking is undermined by guilt.

"Sometimes people consume enjoyable substances such

as naughty but nice food and drink but feel guilty about it. Such feelings may contribute to ill health," said Dr Lowe, adding that the study would "help establish which pleasurable feelings are mixed up with guilt and the effect that has on health."

Dr Lowe's research will involve volunteers watching a humorous video while drinking controlled amounts of alcohol to see if it enlivens laughter. Others will be given no alcoholic drinks while watching the same film.

— Esther Leach



## CHRISTMAS IS COMING EARLY FOR SOMEONE THIS YEAR.

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## 9/RUSHDIE'S FUTURE

Passions rise as Iran  
seeks new talks  
on death sentence

With the return of European Union ambassadors to Tehran, the Iranian government hopes to re-start negotiations over the fatwa against British author Salman Rushdie. But as Our Correspondent in Tehran hears from the new Iranian minister of Islamic Guidance, Seyyed Ataollah Mohajerani, the Rushdie affair has no simple solutions.

Everyone in Tehran understands the equation. And both the Iranians and the European Union ambassadors are very polite at their talks about Salman Rushdie – because both appreciate the problems of the other. Western diplomats in Tehran want a letter from the Iranians which effectively overturns the late Ayatollah Khomeini's fatwa against the author. The Iranians are prepared to put their names to a letter which says that they are not going to kill Rushdie – but they will not officially overturn a religious edict. To do so could topple the new government of President Mohammad Khatami. Not to do so, in the eyes of the EU, is a re-affirmation of the death sentence. One day, Rushdie should write a novel about it.

"It was announced officially that Iran will not execute anyone regarding this fatwa," Seyyed Ataollah Mohajerani told me in his new Islamic Guidance ministry. "But a fatwa from a religious authority is not something to be cancelled by a government – and the government of Iran cannot ignore it or cancel it... the book [The Satanic Verses] is there and the people of the world have read it. Rushdie is still alive but Imam Khomeini has passed away – so it's not possible to cancel the fatwa."

Mr Mohajerani, it should be said at once, is no conservative. One of the most liberal figures in the new Khatami government, he is a former vice-president for legal and parliamentary affairs, with a PhD in

history and a belief in civil freedoms that almost cost him parliament's approval for his new job. Indeed, his 48-minute speech to the Iranian majlis this summer – strangely ignored in the West – contained some memorable passages on freedom of speech.

During his appearance, he was taunted for being "linked to liberals" and for proposing a dialogue with the United States – something which President Khatami finally did last weekend. At one point, a majlis deputy demanded to know if Mr Mohajerani would personally kill Salman Rushdie if he came face-to-face with him. The future minister would not clarify his views on the matter. During the same hearing, however, he stated baldly that "everybody who has accepted the Islamic Republic and our country's constitution... must be subject to tolerance... I condemn the burning of bookshops, the beating of university

Khordad Foundation, which on 12 February this year announced an increase in the reward money for Rushdie's murder – to £1.5m – is an immensely powerful organisation with the support of the unelected Spiritual Leader of Iran, Ayatollah Ali Khamenei. The foundation's head, Ayatollah Shaikh Hassan Sanei, is a senior figure in the religious establishment and the personal representative of Khamenei. In an interview with the *Jumhuri-ye Islami* newspaper, Ayatollah Sanei announced that anyone – non-Muslim or even a bodyguard of Rushdie's – could claim the reward for killing the "apostate".

A day after the increase in the reward for Rushdie's killing, a Revolutionary Guard statement published in the same newspaper claimed that "Muslims of the world have always considered Salman Rushdie an apostate and shall not rest until Imam Khomeini's order has been implemented." The then President, Ali Akbar Rafsanjani, tried to diminish the impact of these statements by talking about the 15 Khordad as "a non-governmental organisation" whose decisions "have nothing to do with the government's policies". Mr Rafsanjani even evinced ignorance of the Khordad's rationale. "I don't know what their motive was," he said, "but the government's policy towards [the Rushdie affair] is the same as before, and one which we have repeatedly announced." A request by *The Independent* to interview Ayatollah Sanei, was politely declined by the 15 Khordad organisation.

The truth is that the Rushdie affair is in danger of reigniting passions among the ultra-orthodox clergy who were defeated in last May's presidential elections. When President Khatami's supporters demand intellectual freedom, his political enemies now suggest that they wish to excuse *The Satanic Verses* and contradict the word of the Ayatollah Khomeini. Anyone who advocates intellectual freedom may now be linked to Rushdie. And, of course, the more Khatami's men condemn Rushdie's book, the less liberal they appear in the West.

BY ROBERT  
FISK

lecturers and attacks on magazine offices."

In his conversation with me, Mr Mohajerani insisted that the fatwa was a religious decree. "Some religious leaders believe that if someone has humiliated the Prophet, if he repents, he could be forgiven – this is a religious point of view," he said. Was this some kind of message for the religious leadership? Would it not have been better for Iran, I asked, if the fatwa had never been issued? There was a sharp smile from Mr Mohajerani. "If the book had not been written, there would have been no fatwa issued," he said. "The negotiations with the European Union [over the fatwa against Rushdie] were stopped when the EU ambassadors left [after a German court had blamed Iran's religious leadership for planning the murder of Kurdish dissidents in Berlin]. Now we hope we can restart negotiations."

The Khatami government, of course, is well aware that the 15



Salman Rushdie: 'If the people of Iran were able to make their political will felt, you'd get a very different society'

Photograph: Reuters

## 'People are very tired of the rule of the Imam'

Salman Rushdie was sceptical yesterday about suggestions that the official Iranian position has softened, as Steve Crawshaw found.

"My own attitude is: wait and see," Rushdie told *The Independent*. "People seem very eager to believe that change is taking place – on very scant evidence. I've become quite sceptical of gentler announcements. They're often followed by contradictions."

He was scathing, too, about the passing-the-buck argument – presented yet again by Seyyed

Mohajerani, minister of Islamic guidance – which suggests that a fatwa cannot be overturned because Ayatollah Khomeini, who issued the fatwa, is no longer alive. "It's disingenuous. In every other aspect of the Islamic republic, they talk about the unity of religion and politics... The Iranians can always do things when they want to. We can get bogged down in areas of theological discussion. If the Iranian state decides to get rid of this problem, it's able to do so."

He was cautiously optimistic about the election of the new Iranian leader, President Khatami. "What it says to me is that people are getting very tired of the rule of the Imam. This was the greatest protest vote they could make... "If the people of Iran were able to make their political will felt, you'd get a very different society."

But he seemed resigned to the fact that little has changed, so far. The return of the EU ambassadors to Tehran was itself an indication that the status quo remains in force. "At the time when the EU withdrew its ambassadors, it said they would only come back if the fatwa was withdrawn. But they have sent them back anyway."

Rushdie, still under threat of assassination because his *Satanic Verses* offended the Iranian government, spoke of his disappointment that Britain, which takes over the presidency of the European Union in 11 days' time, has failed to offer the moral support that he had hoped for.

"Before Blair was prime minister, he was extremely supportive. He said: 'Any time I can do anything for you, don't hesitate to ask.'"

Come the election, however, Labour's warmth for the threatened author diminished. When Rushdie requested a meeting with Robin Cook, the Foreign Secretary, he was told there was "no need for such a meeting at this moment".

To which Rushdie observed: "I can't think when there would be a better moment."

Rushdie insists that a tough stance by the European Union – where Britain will be the effective leader, for the next six months – is the only way of forcing Iran to soften its current position.

The Labour government preaches the need for an ethical foreign policy, which presumably includes the need not to kill people, according to what books they have written. Rushdie believes that the Government is not hostile to his position. Equally, however, there is no sign of a tough new stance. "I keep asking for a policy – and there is no policy."

WRITING IN  
ISLAM

Extracts from Seyyed Mohajerani's speech to the Iranian parliament on 20 August after which he was elected – by a very narrow margin – to be Minister of Islamic Guidance:

"Everybody who has accepted the Islamic Republic and our country's constitution and are living as Iranian citizens, must be subject to tolerance... we should prepare the kind of environment in which people feel able to express their ideas in different ways in the Islamic Republic."

"Here in this parliament, a writer [Dr Abdol-Karim Soroush, a leading opposition intellectual] was talked about, and his name was used without respect. We can be against people's ideas but that does not mean we should be allowed to insult them... we should criticise him in a respectable way..."


"I think that the books I've written show my sensitivity towards cultural invasion. How should I prove my sensitivity? I showed it by writing critically about the *Satanic Verses* on the very evening of February 14th [1989] that the Imam's fatwa [against Salman Rushdie] was announced over the radio... The Imam was still alive when I started writing critically about this book in *Eslam* newspaper."

"My colleagues in the office saw how, after writing this article, I collapsed in the office and couldn't move. The reason for this was that for about 40 days I couldn't sleep more than half-an-hour at night because I believed it was so important to give an answer to this book... I wrote a book about Rushdie which was translated into Arabic and English... yet... you won't find any kind of insults in this book of mine."

"If I'm elected as the Islamic Guidance minister, I can tell you that I disagree almost totally with the way the ministry is being run... Islam is not like a small, dark alley in which man... hits his head against a wall and can't survive. Islam is like a highway, a road full of growth and happiness which a Muslim walks through all his life."

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but was "ragged about the edges. It is a perfectly respectable architect's drawing rather than the building itself," he said. He was concerned, he said, to find how "a private place" would be defined.

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# 11/IN THE COURTS

THE INDEPENDENT  
FRIDAY 19 DECEMBER 1997  
11

## Hindley must stay in jail for rest of her life

Myra Hindley, the Moors murderer, is to spend the rest of her life in jail after High Court judges ruled yesterday that the Home Secretary's 'life meant life' decision was lawful. But, says Michael Streeter, Legal Affairs Correspondent, the judgment was overshadowed by an embarrassing leak.

An investigation began yesterday into the source for a tabloid newspaper story declaring that Hindley had lost her case - published hours before the verdict was delivered.

The Lord Chief Justice, Lord Bingham, who gave the main judgment, said it was "utterly unacceptable" that parties involved in a case should learn of the decision through a newspaper article.

He asked barristers for Hindley - who is appealing against the judgment - and the Home Secretary to find out how the leak had occurred.

Assuming the *Daily Mail's* story yesterday was not simply a lucky guess, the leak of the judgment in such a high-profile case is an embarrassment. The investigation ordered by the Lord Chief Justice will cover the narrow group of people with access to the advance copy; the barristers, junior counsel and instructing solicitors on either side.

Any lawyer found to have

leaked such a judgment could face contempt of court proceedings and disciplinary action from the Bar Council or Law Society.

By convention, the clients - Hindley and the Home Secretary Jack Straw - should be told just one hour before the judgment is delivered.

Yesterday, the Home Office said it had "no idea" where the leak came from. Hindley's QC, Edward Fitzgerald, told the court that none of her legal team had spoken to or been approached by journalists, and said the implication in the tabloid story that her lawyers may have been the source were potentially defamatory. The *Daily Mail* said it got the story through "entirely legitimate journalistic methods".

In the judgement, the three judges unanimously rejected Hindley's claims that first Michael Howard then Mr Straw last month had unlawfully given her a "whole life" tariff, after she had earlier been given a provisional 30-year tariff. Giving judgment, Lord Bingham ruled that Mr Howard's December 1994 decision that effectively ruled out hope of release for life tariff prisoners had been unlawful.

But Mr Straw's modified policy, announced last month, under which prisoners who show "exceptional progress" could have their case reviewed, was held to be lawful. However, Lord Bingham said he was "uneasily conscious" that a wider question was not being considered. "There is room for serious debate [as to] whether the task of deter-



People's justice: An anti-Hindley demonstrator outside the High Court yesterday

Photograph: Ben Curtis

mining how long convicted murderers should serve ... should be undertaken by the judiciary or, as now, the executive."

The Lord Chief Justice said that Hindley, who was jailed in 1966 for the murders of Les-

ley Ann Downey, 10, and Edward Evans, 17, felt she was in prison simply because no Home Secretary dared face the backlash of releasing her.

Mr Pannick said that if Hindley now wanted her case reviewed on the grounds of

"exceptional progress", the Home Secretary would consider the matter.

Lord Longford, who has campaigned for Hindley's release on parole, said her imprisonment for life was "iniquitous". Winnie Johnson,

the mother of Keith Bennett, one of three other victims of Ian Brady and in whose murder Hindley admitted her involvement in 1987, said she was "pleased" by the decision but angered by Hindley's constant right to appeal.

## Jailed former MI6 agent may try to publish secrets

A former MI6 officer was jailed for a year yesterday for unlawfully disclosing information about his work. But his imprisonment may not stop the 'secrets' being published, says Jason Bennett, Crime Correspondent.

Richard Tomlinson, a 34-year-old Cambridge graduate, yesterday became the first MI6 agent to be jailed under official secrets legislation since the Soviet spy George Blake, 36 years ago.

Tomlinson, who joined MI6 in 1991 and was dismissed in 1995, admitted passing a synopsis of a proposed book about his experiences in the Secret Intelligence Service (SIS) to an Australian publisher. He kept details of his proposed book in secret files on several computers.

Lawyers for MI6 argued that the information contained damaging information about operations and agents obtained by Tomlinson while working for the agency in Moscow, Bosnia and London.

Passing sentence at the Old Bailey the Recorder of London, Sir Lawrence Verney, said: "You showed a determination to publish information which you knew is actually and potentially harmful to the public interest. It remains the duty of the Court to pass a sentence which may deter others from pursuing the course that you chose to pursue."

"We are sadly conscious that it may not deter you," he added. This last reference is due to the fact that once Tomlinson has completed his sentence - he will probably serve another four

months in jail - there is nothing stopping him going to a foreign country, such as Australia, and publishing his experiences in a repeat of the *Spycatcher* affair.

He is the first person to be prosecuted under the 1989 Official Secrets Act. The court heard that Tomlinson had contacted Transworld Publishers in Australia after becoming bitterly disillusioned following his dismissal from SIS. His attempt to claim unfair dismissal through an industrial tribunal was blocked by Malcolm Rifkind, then Foreign Secretary.

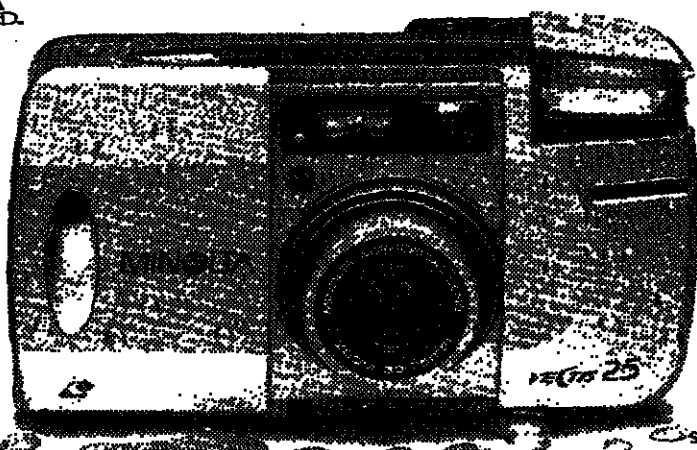
Nigel Sweeney, prosecuting, said that Tomlinson wrote to SIS saying that his treatment by the agency "made the formerly unthinkable step of contacting a hostile power as something I think of daily."

He also threatened to publish the book on the Internet, but later said it was a bluff.

Last February he signed an agreement with MI6 not to publish anything in return for a cash payment and help in finding work. SIS also arranged for some sessions with a psychiatrist. But in April he flew again to Australia to find a publisher for his book and told a commissioning editor that he wanted to reveal the "unscrupulous and immoral" actions of MI6.

He was arrested on 31 October by Metropolitan Police Special Branch at his home in Milton Keynes where they found copies of the book and chapters on a personal computer and a larger machine at his home. A second computer with a copy of the book was stolen, although MI6 is suspected of being responsible.

John Wadham, Tomlinson's solicitor, said after the case that his "only crime was to produce the synopsis of a book which was never published".



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## Revamped Louvre dusts off its fusty old image

Sixteen years ago President François Mitterrand decreed that the dusty, musty old Palais du Louvre should be opened up to the light and air. Today, President Chirac opens the last stage of a £600m expansion and re-design which makes the Louvre one of the largest, and most modern, art museums in the world.

BY JOHN LICHFIELD

Louvre the world's second largest museum of Egyptology. Apart from a few finishing touches, the internal rebuilding and re-fitting of the Louvre ordered by President Mitterrand in 1981 will be complete. A new, underground entrance hall, topped by a controversial glass pyramid, was opened in 1989. The artistic colonisation of the northern, Richelieu, wing – occupied by the Ministry of Finance for 170 years – was finished in 1993.

It has taken 206 years but the ambition of the revolutionaries who evicted the French royal family from the Louvre in 1791 has finally been achieved. From today, the entire, immense, lobster-shaped complex beside the Seine will be opened to the public – an artistic city within a city in the heart of Paris.

More than 10,000 square metres of new exhibition space will be reopened, mostly in the older, eastern part of the Palace, the Sully Wing. The museum's vast collection of Greek, Roman and Egyptian art and artefacts will be displayed fully for the first time, making the

The final stage, also including a restored "long gallery" for Italian and some French 16th- and 17th-century paintings, will be opened by President Jacques Chirac today.

Although hugely expensive, the restoration of the Louvre is already a thumping, public success. Since work began in the mid 1980s, the number of visitors has doubled to more than 5,000,000 a year. The "old" Louvre was a labyrinth of dusty rooms with cramped and jum-



Sneak preview: Visitors attend an early viewing of the wooden sarcophagus of Marcus Antoninus which will be on show in the refurbished Louvre galleries

Photograph: AFP

bled displays, defended by legendarily grumpy attendants.

The average visit time was scarcely more than an hour (typically spent searching for the *Mona Lisa*) compared to three hours in comparable museums around the world.

The re-modelled Louvre is larger, more spacious but easier to navigate and has a revolutionary system of indi-

rect, natural lighting, using mirrors and ultra-violet filters to reveal, but protect, the works of art. It also has an underground car-park, lecture-theatre, shopping-centre and several restaurants.

Among the works on display for the first time, will be a restored statue of the Empress Sabina, wife of the Emperor Hadrian (2nd century

AD), parts of which were lost at the bottom of the Mediterranean until two years ago. The ship bringing the statue to France, from an archaeological dig near Carthage, caught fire and sank off Toulon in 1874. Parts of the statue were recovered but not the head.

A diving team recovered the missing items in 1995 and the rebuilt statue will go on

public display from tomorrow, most probably for the first time in nearly 2,000 years. Another of the displays contains a painted wooden sarcophagus of Marcus Antoninus, a friend of Hadrian who drowned in the Nile.

The centrepiece of the 30 new rooms devoted to ancient Egyptian artefacts will be an immense stone head of the

Pharaoh Amenophis IV. Elsewhere, an almost entire interior of a 4th-century Coptic church – presented to France by the Egyptian government – has been reassembled in a former amphitheatre. It is thought to be the only church-within-a-museum in the world.

The "Great gallery" for 16th and 17th-century paintings, restored to its full 300-me-

tre glory (the length of three football pitches) will include works from the museum "reserve" not displayed before. They include *The Annunciation* by Giorgio Vasari and *Camille delivering the school-master to his pupils* by Nicolas Poussin.

The new galleries will be open from today and free to the public on Sunday and Monday from 6pm to 10pm.

## Germany learns to love its bothersome poet

On Heinrich Heine's 200th birthday, Germany is at last learning to love her troublesome poet. Yet Imre Karacs finds that celebrating the life of the apostle of self-hating Germans still stirs controversy.

"Oh Germany! Land of oaks and stunted minds!" – Is it any wonder that the nation thus greeted by one of its greatest poets still does not see why it should feel flattered?

For two centuries Germans have been trying to come to terms with Heinrich Heine, the genius who loved his country so much he could not bear to live there. What is one to make of the Jew who embraced Luther, only to renounce the professional career lubricated by his conversion? Or the revolutionary who hated all dogma and was sickened by the smell of blood?

Heine drank from the cups of a wide range of philosophers, but discarded them all in his eternal quest for Utopia. He was a patriot who mocked nationalists, a romantic who denounced romanticism, a Francophile who held Frenchmen inferior to Germans – the "strongest and most intelligent nation". It was he who prophesied the destructive power of a fanatic people mesmerised by legends of the super-human.

Heine was, in the words of Germany's President, Roman Herzog, a "bothersome thinker". So bothersome, that

for the entire history of united Germany, the country's relationship to the poet – dead or alive – has been a mirror image of its own state of health. He and his works suffered under tyranny; tyrants withered under the invective of his prose.

Mr Herzog spoke earlier this month at the climax of an orgy of Heine events marking the 200th anniversary of the poet's birth. The President was addressing a gathering of the great and the good in Heine's home town, Düsseldorf, at the university named after the poet.

This civic pride – if such exists – is a very recent phenomenon. The last time Germany tried to honour "Harry" 25 years ago, the professors of Düsseldorf's musty university took a vote on changing its name, and chose the reactionary path.

That was in 1972, four years after the great student revolts, and scholars balked at the prospect of having a revolutionary's name on their pay cheques.

At last Düsseldorf has extended its arms to the spectre of its prodigal son. The German fashion capital's university now bears the name of the poet. There is a Heine Institute, a plaque depicting the stormy love affair between Heine and Germany was unveiled last week, and the city boasts a flourishing industry in Heine memorabilia.

Even practitioners of the physical sciences are unable to stay aloof from all the fuss. The hero of the hour is Dr Wolfgang Hückebach of the local Institute of Forensic Medicine who,



upon analysing a lock of Heine's hair discovered elevated levels of lead.

So Heine's hair had 133 times the normal amount of lead, but no mercury, with which he was supposed to have been treated for syphilis. The implication is that Heine might have been murdered, possibly by his jealous wife, Mathilde, though Dr Hückebach admits that a list of possible suspects would run into millions: the offended German nation.

But away from trivia, and on to real controversy. For, in true reflection of Heine's enduring scandal value, a stamp issued in his honour did cause a furor. There was nothing wrong with the stamps, but at the edge of the blocks of them the designers had drawn little Germanic runes; the ancient symbols of birth and death. These, it turned out, had been greatly in fashion in the period between 1939 and 1945, and were used

to adorn the commemorative issue marking the assassination in 1942 of SS General Reinhard Heydrich. The Post Office withdrew the Heine stamps in a hurry.

The incident was judged to have been in very bad taste, particularly in view of the tribulations suffered by Heine's golden words at the hands of the Nazis. In 1933, Heine books ended up on the same pyre as Marx for similar reasons: both had been bolshevik Jews. Heine's conversion at the age of 27 cut no ice with Hitler.

But even the Nazis could not resist the poet's charms. Some of his work survived in school textbooks of the era. "Loreley", a haunting poem encapsulating the mythical magnetism of the Rhine, gave pleasure to millions of Hitler Jugend, who probably never guessed the true identity of "author unknown".

After the war, East Germany adopted Heine as the champion of the toiling masses, while

Love and hate: Heinrich Heine loved his country so much he could not bear to live there and made his name by pouring scorn on his countrymen. Despite recent efforts to rehabilitate his memory, scandal continues to follow his name

West German schoolchildren were taught that he had been known for his biting criticism of all things German.

To which Heine might have replied, as he had written a century before: "Paris is the new Jerusalem, and the Rhine is the river Jordan which divides the land of freedom from the country of the Philistines."

In his speech, President Herzog lauded Heine's "corrosive criticism" and invited contemporary intellectuals to learn from his example. Without such men, he said, "society will wither away". And a little wit and humour of the Heine variety would not go amiss, either, the President remarked in rather pointed fashion.

It seems that 200 years on, Germany could just about cope with Heine, though whether Heine would be able to suffer his armchair-bound compatriots today can never be answered.

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## 13/FOREIGN NEWS

THE INDEPENDENT  
FRIDAY 19 DECEMBER 1997  
13Korea elects  
dissident as  
president

After receiving the biggest-ever emergency bail-out by the IMF, South Koreans scored another first this morning – the election of an opposition president. Richard Lloyd Parry in Seoul wonders whether Kim Dae Jung can be trusted with the world's most out-of-control economy.

A new and uncertain political era will begin in Seoul this morning when, as now seems guaranteed, Kim Dae Jung becomes the first opposition politician to be elected president of South Korea.

With two-thirds of the votes counted, Mr Kim held a small but consistent lead at the end of a election in which uninspiring campaigning was overshadowed by Korea's deepening economic crisis. By 2am, Mr Kim had won almost 40 per cent, compared to 38 per cent by his close rival, the ruling party candidate, Lee Hoi Chang, who trailed by 1 or 2 per cent throughout the count. The third of the leading candidates, Rhee In Je, a former member of the ruling party who split its support, had 19 per cent of the vote.

"Right now I can't feel this victory in my bones," Mr Kim told members of his party, the National Congress for New Politics (NCNP), early this morning. "The world is watching us and if we can't properly transfer power, it will affect the way the world looks at us. Even if I am elected, hardships confront us."

Opinion polls had for weeks predicted a close vote, but in previous elections, Korean voters have swung at the last minute towards the ruling party. This conservative tendency appears to have been cancelled

out by popular anger over the sudden collapse of the economy.

Mr Kim is a political institution in South Korea, a former dissident and political prisoner, who escaped execution and assassination under South Korea's military dictators.

He had stood and lost in three previous presidential elections, and more than once announced his permanent retirement from politics.

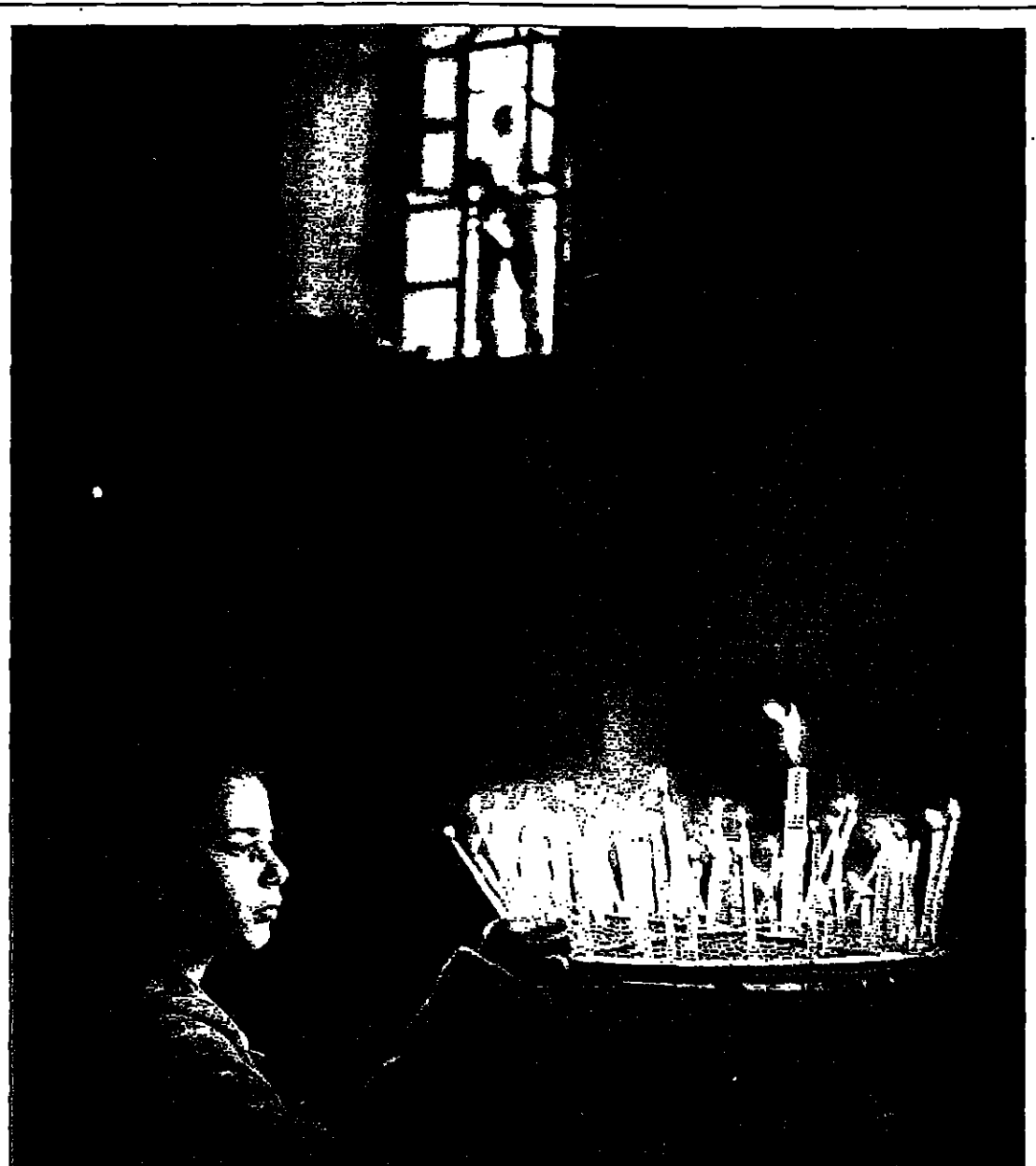
In a country previously dominated by conservatives, Mr Kim is regarded as something of a radical. But, apart from the symbolic value of an opposition victory – in a country in which democracy is only 10 years old – serious doubts remain about his ability to rescue the country from the grave economic crisis into which it has sunk.

Last month, South Korea became the latest and biggest victim of the wave of currency devaluations which have swept East Asia since the summer. In the space of a few weeks, the stock market has plunged and the Korean won has lost half its value, although the decline slowed this week thanks to a \$57bn bail out by the International Monetary Fund.

The rescue package is conditional on a set of harsh reforms which will almost certainly result in further bankruptcies and rising unemployment over the next year, and it has been denounced by trade unions, business associations and nationalist groups.

Last week, Mr Kim provoked a plunge in the markets when he said that he would renegotiate the terms of the deal if he was elected.

He later signed a statement with his fellow candidates giving the IMF his full support, but the suspicion lingers that the deal is less safe in his hands than it would have been in those of Mr Lee.



Place of pilgrimage: A girl lights a candle at the Church of Nativity, on what is believed to be the site of Jesus's birthplace, as Bethlehem prepares for an influx of visitors. Photograph: Jacqueline Larna

## Brakes put on MEPs' gravy train

Euro MPs, the butt of much public criticism for their lavish allowances and salaries, are facing pre-Christmas cutbacks aimed at cleaning up the Strasbourg assembly's gravy-train image.

MEPs who fail to show up for at least half of all votes will lose half of their £175-a-day meals and accommodation allowance, under a decision taken by party managers and the

Parliament's president. The move comes amid fresh attacks after television documentaries in Germany and The Netherlands alleged to show MEPs signing on a register to collect their daily cash but then failing to take part in debates or votes.

Some MEPs reacted to the unflattering exposure and to criticism of the cost of installing showers in their new offices – £7,000 each, by demanding a

clampdown on media and television access to their buildings.

An internal committee which has been studying possibilities for long-term reform has recommended harmonising salaries to end the system whereby deputies are paid the same as their national counterparts. Lavish allowances and expenses are designed in part to "compensate" the lowest-paid members for a system which al-

lows Italians to earn almost four times what their Irish or Greek colleagues take home.

But party leaders, uncomfortable with the slow progress in restoring Strasbourg's credibility, recognise they must demonstrate they are trimming the scope for pocketing huge profits on travel and meals reimbursements.

— Katherine Butler  
Brussels

EU freezes £5m Tibet aid  
after aid worker is excluded

The European Union has frozen a £5m development project in Tibet after the authorities in effect expelled a British aid worker from Lhasa by refusing to renew her work permit.

Sir Leon Brittan, vice-president of the European Commission, will postpone signing the final agreement for the 7.6m Ecu Panam project while officials try to establish why a Save the Children Fund (SCF) education expert has been forced to leave Tibet.

"We've stopped the administrative procedures in their tracks until we have clarified what happened," said a member of Sir Leon's office yesterday. The agreement had been due for signing before Christmas.

The 30-year-old British aid worker, who SCF requested not be named, had been based in Tibet for three years, improving village education in poor rural areas. Since she left for a holiday in July, she has been allowed back for only one week, with no explanation from

the authorities over why they will not renew her work permit. "If SCF can't operate in Tibet, if non-governmental organisations cannot operate in Tibet, then the whole *raison d'être* of the Panam project is in question. There is no doubt about that," said the official.

Sir Leon and his office were unaware of SCF's visa problem until it was reported in *The Independent* this week, even though the British charity last month informed the EU of the block. Efforts are now being made by the EU to find out what has happened.

The British charity runs education and environmental health programmes in Tibet, where it has worked since 1991. The *de facto* expulsion of its only expatriate aid worker in Tibet threatens the EU project because SCF was the most obvious NGO to be involved in Panam, an ambitious integrated irrigation, health and education plan for a region 200km south west of Lhasa.

— Teresa Poole

## Rescuers hunt missing plane

Greek rescue teams struggling to overcome rugged terrain covered with snow and low cloud had failed by nightfall yesterday to find a missing Ukrainian airliner with 70 people aboard. Search teams stretched across a mountainous region to the south-west of Salonika scaled back operations as darkness fell.

The Russian-built Yakovlev-42 plane disappeared from radar screens late on Wednesday as it prepared to land at Salonika after a flight from Kiev via Odessa.

## Jamaican voters box clever

With the world heavyweight boxing champion, Evander Holyfield, on hand to help ensure a clean fight, Jamaicans went to the polls yesterday in general elections seen as the most significant in the nation's 50 years of suffrage.

Holyfield, representing the Carter Centre team of international observers, received a warmer welcome than any of the candidates and was mobbed by voters in poor suburbs as he toured polling stations in the capital. Former US President

Jimmy Carter and General Colin Powell, whose parents were Jamaican, were also on hand to witness the balloting.

Peace, more than politics, was the key word as Jamaicans prayed in church services around the nation, for a voting day free of the violence of past years, notably 1980 when 300 people died. All soldiers' leave was cancelled and hospitals went on an emergency footing, but by late yesterday there were no reports of major incidents.

— Phil Davison, Kingston

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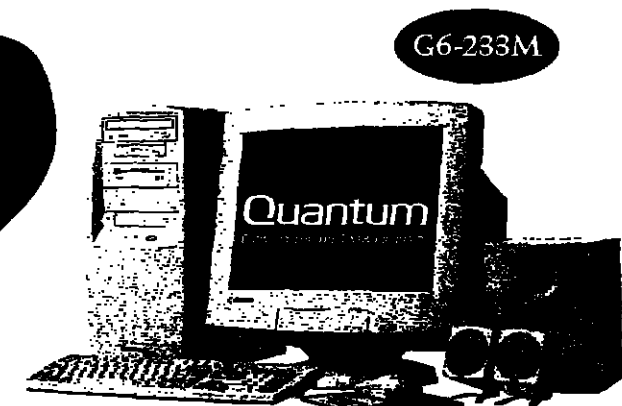
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## Gunman keeps children hostage

A gunman was still holding two children hostage at a Texas nursery last night after a family dispute escalated into a siege drama. The man, identified as 33-year-old James Lipscomb, had taken 63 children and five adults hostage on Wednesday after storming into the Riggsbee Child Development Centre in the Dallas suburb of Plano.

He released 60 children the same evening after negotiations with police and the last of the adults early yesterday. But Mr Lipscomb broke off communication with the police around midday yesterday after releasing one of the three remaining children, a three-year-old girl said to be his godchild. He was apparently unhappy after seeing live pictures of her release on television. The police



Children running from the Plano, Texas, day-care centre during the standoff between police and an armed man

Photograph: AP

said they feared the setback had jeopardised the progress already made and asked reporters to halt live coverage of the siege.

The two remaining chil-

dren were believed to be Mr Lipscomb's son, Monroe, and his stepson, Xavier. There was no information about what might have led Mr Lipscomb to storm the nursery. Despite

the breakdown of talks, police said they hoped the siege would end peacefully. "Everything seems to be going well," a police spokesman, Carl Duke, said. "The information

we have is that there are children and adults still inside. We don't know specific numbers but he is releasing people and we are making progress." Mr Duke said negotiators were try-

ing to persuade the man to set the rest of his hostages free and surrender. "If everything continues the same, we think it can be resolved without any further problems."

## US rules out Bosnia troop withdrawal

President Clinton announced yesterday that US troops would remain in Bosnia after the June 1998 deadline and set no new deadline for their withdrawal. His decision came as Nato snatched another two war criminals, Mary Dejevsky and Andrew Gumbel report.

Mr Clinton's announcement, at a White House press conference, amounts to an open-ended US commitment to keep troops in Bosnia for as long as it takes for peace to become - in his words - "self-sustaining". While insisting that the presence would not be permanent, Mr Clinton would not guarantee that the troops would be home even by the time he leaves office in January 2001.

In a rare admission for a politician, the US President said he had been "mistaken" in thinking that the Nato-led contingent would no longer be necessary after next June and said he did not want to repeat the error. However, the necessary Senate approval is likely to be granted only grudgingly and after acrimonious debate.

Mr Clinton - who will visit to US servicemen in Bosnia this weekend - said that in future there should be "achievable, concrete benchmarks, not a deadline" for the withdrawal of

troops. These included a trained civilian police force, functioning independent media and the return of more refugees. The setting of "benchmarks" represents a big tactical change.

The night before Mr Clinton spoke, Nato troops in Bosnia staged a dramatic dawn raid to capture two more men - this time Croats - wanted for war crimes at the international tribunal in The Hague.

A Dutch commando unit crept into the village of Santici to the house belonging to Vlatko Kupreskic and then, as the signal was given, burst in. The man they were tracking has been charged with involvement in one of the most callous massacres of the war - the murder of more than 100 Muslim civilians in the village of Ahmici, near Vitez in central Bosnia, in April 1993. He had been living quite openly in the area ever since. Mr Kupreskic was shot at least three times in the chest, arm and leg.

He was then whisked off to Sarajevo for emergency surgery, and once it was clear his life was not in danger he was flown to The Hague.

The second arrest was an altogether quieter affair. Anto Furudzija did not know he was wanted by the international tribunal - his was a so-called "sealed" indictment - and he gave himself up without resistance. It was not clear last night what the nature of the charges against him might be.

## Somali leader stays on

Mohamed Ibrahim Egal will remain president of the break-away Somali republic after parliament rejected his resignation. Egal offered to resign, citing lack of cooperation from his government ministers who have in the past accused him of being high-handed. But Somalis dismissed his move as a ploy to secure his position with even greater powers.

## Sithole murder verdict

Veteran Zimbabwean opposition leader Ndabaningi Sithole was sentenced to two years in jail for plotting to kill President Robert Mugabe in 1995. But Sithole, 77, was then freed on bail pending an appeal to the supreme court after his lawyers argued that he was too ill to go to prison. The high court also gave Sithole a suspended five-year term in prison on two other counts of possessing arms of war and of promoting terrorism to overthrow the government.

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THE INDEPENDENT

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# 15/SPIES

THE INDEPENDENT  
FRIDAY 19 DECEMBER 1997  
15

## Philby's widow tells of an Englishman's life in exile

As spies queue up to write memoirs, the life of a Cold War master-spy remains intriguing. Now the widow of Kim Philby, Independent reader and double agent, has written a memoir of life with the 'Third Man'. Helen Womack interviewed Rufina Ivanovna Pukhova about her version of events.

The Cold War may be over, but the legacy for Rufina Ivanovna Pukhova, widow of the British traitor Kim Philby, is a cottage industry of KGB pensioners churning out dubious stories about her late husband as they seek to make money by writing memoirs. So tired has she become of this that she has written her own account of life with him, entitled "Island on the Sixth Floor" - a reference to the flat she shared with the former MI5 spy master after he defected to Moscow in 1963.

"So many lies have been told about Kim," Rufina Ivanovna said at a press conference yesterday. "But nobody knows better than I do how he lived here, what he felt. After all, I was married to him."

"Island on the Sixth Floor" is the highlight of a new book on Philby called *I Did It My Way* (the spy was a fan of Frank Sinatra) published in a limited Russian edition. The volume also includes "My Hidden War" by Philby himself, which Russian readers are seeing uncensored for the first time. And there are essays by Mikhail Bogdanov, who attended Philby's seminars on English life for KGB trainees, and by Mikhail Lyubimov, a Soviet spy who, after he was expelled from London in the mid-Sixties, befriended Philby in his Moscow exile.

"He was a great tragic figure of this century," Colonel Lyubimov said. "He was an idealist. An anti-fascist in the 1930s, you could say he was like George Orwell."

"He did not feel he had betrayed Britain," Rufina Ivanovna added. "He was fighting fascism and we were all on the same side in those days, weren't we?"

Rufina Ivanovna has been particularly upset by stories

about her husband's alleged depressions after he saw the reality of life in the USSR, which he had served through ideological conviction, rather than for money. One retired KGB agent has gone so far as to suggest that Philby was disillusioned enough to take his own life.

Leonid Kolosov, who spent his career under journalistic cover in Rome, admits he only met Philby twice but says he has no reason to doubt what he was told by a KGB colleague, now dead, and the Kremlin doctor, that the defector shot himself in May 1988. The official version was that he died of heart failure.

Lieutenant-Colonel Kolosov says Philby was very depressed when he met him at a KGB reception in Moscow a few months before his death, and

said he had fallen in his bath. I went to see him. He was very weak but brightened when he saw me. I wondered whether I should stay with him through the night, but then thought if I did that it might worry him, so I left. I got home at 11 in the evening. I couldn't sleep. I was very nervous. I took sleeping pills. At two in the morning, I put out the light. The next day I rang the hospital and they told me he had died at exactly 2am. I was not actually with him when he died. That was terrible."

Rufina Ivanovna, an elegant and very kind woman, keeps the Island on the Sixth Floor more or less as it was when they lived there together, although need forced her to sell some items to Sotheby's in 1994 (her pension is less than \$100 (£62) a month).

The KGB allotted the Philbys, who feared being pursued by journalists, the perfect flat: hidden in the lanes behind the central Tverskaya Street. Only invited guests are told which archways and doorways will bring them to the apartment.

Inside, Philby's study is as he left it, with his history books and detective novels for sleepless nights. In the living room, his old Riga radio with beautiful ivory buttons is still tuned to the BBC.

"There were two main myths about Kim," said his widow. "One had it that after he came to Moscow he lived in luxury, like cheese floating in butter as we say in Russian. The other is that he descended into degradation and poverty. As you see, the reality is less sensational."

Philby's widow admits that when she first met him he drank heavily. But in 1972, he pulled himself out of his alcoholic depression. The KGB, which had kept him under-employed, began giving him work as an consultant.

It was true, though, that many aspects of Soviet life did disappoint him. "He was particularly irritated by Brezhnev... Gorbachev raised his hopes at first, but he got tired of his demagoguery. Of course, he would have been appalled by the poverty now. He had a great sense of social justice."

He was nostalgic for England, which he knew was lost to him, although his children would visit from the West. "But he was also realistic," she said. "You know, he often used to say: 'The West has its defects too'."



Kim Philby: 'So many lies have been told about him'

quotes him as saying that had he known Russia would turn out to be such a *bardak* (a vulgar word, literally meaning a whorehouse, used to describe a mess), he would not have wasted his life in its service. The retired agent also reads meaning into a comment Philby made to him and the journalist Vadim Kassir in an interview in January 1988. Asked if he had often used his gun like James Bond, Philby is reported to have replied: "A true secret agent only shoots once in his life - when he has no other way out."

"The suicide story is rubbish, to put it mildly," Rufina Ivanovna told me, at her home. Philby, she said, had gone into the KGB's closed hospital in Moscow for treatment to his heart.

"On the morning of the 10th of May, I began to worry. I rang his room but nobody answered. I rang and rang. Eventually a nurse picked up the phone and



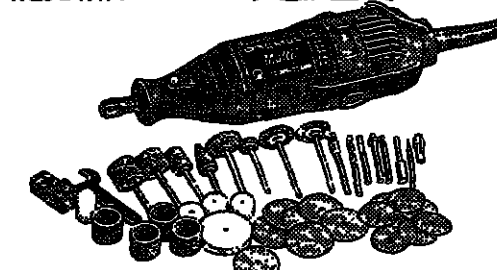
Old times: Rufina Ivanovna, widow of the master-spy Kim Philby, with her memoirs at the Moscow press conference Photograph: Sergei Karpukhin/Reuters

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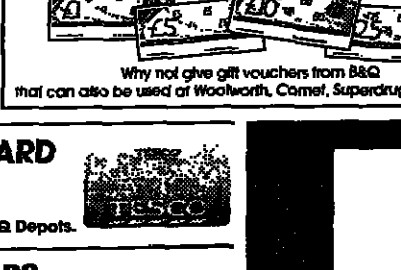


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**£94.49**

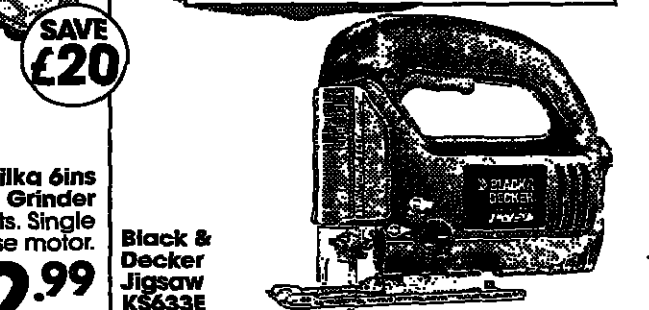


**Black & Decker Multi Sander KA220E**  
155 watts. Variable speed. Orbital, detail and random action. Includes dust cassette and adjustable handle.  
Was \$61.50

**£59.99**



GARETH THOMAS  
Department Manager  
B&Q READING

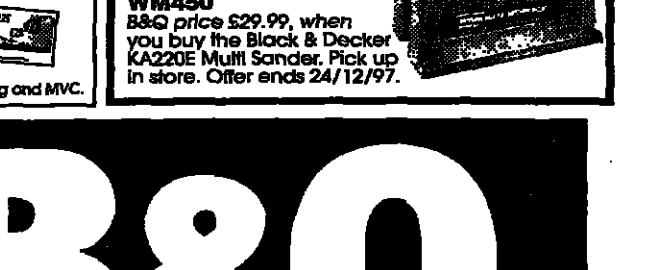


**Black & Decker Jigsaw KS633E**  
400 watts. Variable speed. Superlok blade clamp.  
Was \$44.49



**Black & Decker Multi Sander KA220E**  
155 watts. Variable speed. Orbital, detail and random action. Includes dust cassette and adjustable handle.  
Was \$61.50

**£39.50**



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# B&Q

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## Pensions not Porsches, art not Armani

Successful City types have plenty to smile about this Christmas - many will trouser annual bonuses in excess of their annual salary. Purveyors of luxury goods and services may be rubbing their hands in glee, but, Meg Carter warns, don't expect the new Yuppies to be flash with their cash.

Can it really be just 10 years since the stripe-shirted young urban professional turned conspicuous consumption into a way of life? Much has changed since the Eighties myopia which led to a widespread belief that the good times would never end. Today, it seems, people simply don't react in the same way to having a rosy income.

Take Richard Emanuel, 30, managing director of DX Communications - a mobile phones business which he launched in 1991 and which now boasts a turnover of £50 million. "Today there's more of a focus on quality of life. There was a feeling then that the Eighties boom would last for ever. In the Nineties, however, you can't afford to just live for today. Rather than buy a Ferrari, people are spending to improve the overall quality of their life."

Alex Johnson, 33, director of PR firm Freud's, made a significant financial killing when the company was sold to advertising agency AMVBBDO two years ago. "People don't spend nearly as much on looking good as they did in the Eighties," he declares. "They're spending more on promoting the values close to them - if they have kids, they're spending more on their kids, if not they're spending more on their friends. It's less about attracting attention, more about gratifying people's nascent spirituality."

Really? Tell that to the young professionals eager to spend their thousands on designer suits, flash cars and deluxe inner-city pads. Business has never been brisker at up-market London estate agents Holden Matthews in trendy Islington. "There's steady demand for good houses in prime locations. Young blades are looking for something central - especially converted commercial properties. They're willing to put down £250,000 for a first time buy, while thirtysomethings with families are looking to trade up from a £350,000 house to £750,000 in one

move," managing director Paul Williams says.

Fashionable mens' outfitter Oswald Boateng reports a rapid rise in the number of City types, barristers, media executives and celebrities popping in for an extra suit for Christmas. "We're traditional with a twist. A lot of men don't want to wear the classic Savile Row suit, unless they were born to that ilk," bespoke consultant Daniel Seisay explains. Popular purchases of the moment include classic fabrics, gold pinstripes and, for the more adventurous, purple mohair and velvet, he says. Ready-to-wear suits start at £895. Bespoke suits tailored to an individual's requirements start at £1,700.

Meanwhile, upmarket travel firm Abercrombie & Kent is profiting from growing interest in the upscale adventure end of their trade. "There are still a lot of people from the City coming to us for an exclusive destination to get away from it all. There's steady demand for small, exclusive Caribbean destinations and, of course, Neck-er Island," says spokeswoman Alison Eggeison. But, she adds: "There's growing demand for

more challenging destinations or activities." These people need to get as far away from "reality" as is possible, and they're more than willing to pay the price. So, their tailor-made trips now include 10 nights in Oman for around £2,000, 12 nights in the Antarctic, taking in the Falklands on the way from £5,000 and quad biking in the Kalahari at £196 a night.

But wait. It may not sound like it, but Messrs Emanuel and Johnson have a point. "Osteo-tation has become more subtle in the Nineties," says Nick Kendall, group planning director at advertising agency Bartle Bogle Hegarty. One of BBH's clients is Audi, whose recent TV commercial lampooned yuppie values. The brash old featured in the ad test drives and dismisses an Audi. "Not my style," he sneers. (Which for Audi and its discerning clientele was just as well.) Younger high fliers are increasingly buying classic cars rather than a Porsche or Ferrari, Kendall claims. Forget the Gold Rolex, the smart buy is a Platinum Tag.

"People are more careful," he believes. "They are more worried about showing it off and the trouble that can cause with growing tension between the wealthy and the larger, under-class. And they are more likely to put money into investment purchases - whether it's PEPs, pension funds or simply something that won't completely lose value in five years time."

Hoarding and hiding underpins the Nineties consumer's shopping mentality, Kendall adds. "People are expecting more from designer goods and luxury brands - they want quality rather than show and greater craftsmanship. They also want something personal. It's not about spending to achieve material wealth, it's about spending to achieve emotional wealth. People are increasingly interested in collecting experiences."

This can range from the seemingly indulgent to the coolly practical. "Yes I earn a lot but I work hard for it," says one thirtysomething trader who has spent the past seven years working for a US bank. "I spend on

myself, on my family and on my friends but most of the money I make I invest. In 10 years time I want to be working for me. That's why I'm planning to invest in feature films. It will give me a foot in the door and it might eventually lead to a career change. By that point, of course, I'll be able to absorb the inevitable salary drop."

Richard Emanuel is an earnest advocate of developing interests away from business - which is why he's learning to fly. Thirty-three-year-old Brian Dodsworth, meanwhile, has put money he made from selling shares in his previous employer, a drug delivery system manufacturer, into funding himself to study an MBA at one of this country's leading business schools. "I didn't make enough money to retire on," he candidly admits.

Conscious of how insecure the job market has become, he decided against buying a sports car. "I decided instead to make sure I could move onwards and upwards and earn a shed-load of money elsewhere."

City hotshots itching to get their paws on this year's financial bonuses should take note. For as well as delivering the biggest pay-outs on record (worth £1bn according to one estimate), 1997 has also been a year of fundamental change. The rollercoaster that now is the Far Eastern stock markets has left many leading banks with their fingers burned.

Meanwhile, a flurry of financial services mergers are now expected in the wake of the recent union between Swiss banking giant UBS and Swiss Bank Corporation. Barclays and NatWest are likely to follow. The net effect is likely to be that star traders, who can today command basic salaries exceeding £100,000 with bonuses of nearer £1 million, find themselves playing a high-risk game of musical chairs. Thousands of job losses are predicted in the City of London alone as a result of this shake-down. And those who remain may soon see investment houses' adapting their remuneration packages. A growing body of research suggests that employees are no longer motivated by salaries alone. Says Martin Short of City headhunters Jonathan Wren: "Increasingly, financial package is only part of the equation. Of growing importance is how stable a future employer is and whether they guarantee relevant training and clear career progression."

The end result - high income and attractive amounts of disposable cash - may not sound so different from the Eighties, but the difference is how it is achieved and, of course, spent. According to Richard Emanuel: "It's hard to say at 30 when and if I will want to take early retirement. But the important thing is to make sure that in 10 years time I will have that choice."



JOHN LYTTLE

### What the well-heeled homosexual really, really wants in his stocking

All five Spice Girls dolls: Grumpy, Bleached, Butch, Stuck-Up and Common  
All four Teletubbies dolls: Judy Finnegan, Dale Winton, Christopher Biggins, Vanessa Felix  
Just one evening dishing the dirt with Anne Atkins's daughter  
Advance copy of "Whigfield II"  
A year's supply of eyelash dye  
An end to the worldwide plague that is... bobbling  
And - what else? There was something... Oh, yes, I remember. A cure for Aids (note: order of importance has been reversed)  
Anything and everything in matt black  
A high metabolism  
An Irony Lady, ie a lady who comes in once a week to do the ironing, saving the busy homosexual the bother of having to do it himself  
That little special something delivered to your door by Securicor

The entire set of Teenage Mutant Ninja Cross-Dressers  
Mud: for bath, body, face and flinging  
Action Man with gripping hands  
GI Joe: so Action Man has something to do with his gripping hands  
Novelty condoms - the sort that play "Jingle Bells" or taste of mince pie or have a tip that lights up like Rudolph's nose. Perfect for your heterosexual siblings who, trust me, need all the novelty they can get  
Barrel of Immac  
DIY sex-change kit. Basically a pair of scissors, a frying-pan and a personalised horoscope from the pen of Russell Grant (one-year guarantee on working parts)  
Big black book for the many, many, many names and telephone numbers you'd otherwise be too drunk/kick high/too damn fabulous to remember

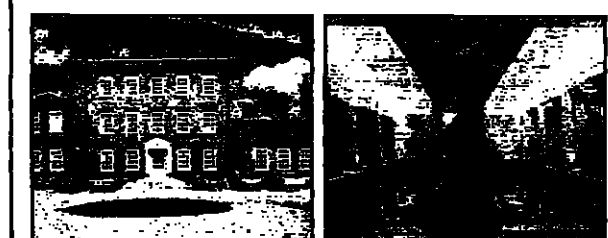
Any Oasis album - so there'll always be something in the house no one will give a toss about burning if this cold snap continues  
Norman Tebbit voodoo figure. Pins not included  
Gaggia ice-cream machine  
Gaggia stomach pump  
Barbie's combined dream house and lesbian disco  
Strategically placed tattoo, "no smaller than 12pt, in a distinctive or bold typeface", proclaiming "Abandon hope all ye who enter here", as specified by recent European directive

Club mix of "I Lost My Heart to a Starship Trooper"  
Fun fur. Stole. muff. chubby coat... It's the thought that counts. And perish the thought  
Pink Power Ranger  
Thong/sling/nipple-ring/Prince Albert. (Readers wishing to know what a Prince Albert is, please send me, with parents' written consent, to John Lyttle, "The Independent", etc.)  
Mapplethorpe/Weber/Hockney prints: the sort that must be removed from the walls in advance of visits from Mummy, Daddy or any New Labour MP  
Snow (to be taken internally)  
Gilded mirror. It's the gift that just keeps on giving  
Gianni Versace's Miami mansion... Oh, please - like it wasn't on the market the very next day  
M&S underwear  
S&M underwear

Wallet-sized Identikit photo of Tony Blair's hair-dresser. Available from Interpol, Scotland Yard, "The X Files"  
Girl Power  
Will power  
Big, baggy, woollen cardigan, beige or brown or covered with what shop assistants have been trained to call "a cheerful pattern", ie offending article appears to have dropped too much acid during the Stagles. A vital addition to your wardrobe if you're still passing for straight Christmas stocking(s). A vital addition to your wardrobe if you're over passing for straight  
Soap on a rope (for the rope, dummy)  
Affidavit stating that every boyfriend you've ever had has seen the error of his ways, sobs uncontrollably into his pillow each night and wants you back in his rather under-developed arms. Signed in blood (this affidavit does not affect your statutory rights)  
Bath cubes. They're fun!

Peace and goodwill to all men. Particularly the type who has the class to ring next day - whoever he is  
A reason to believe (see above)

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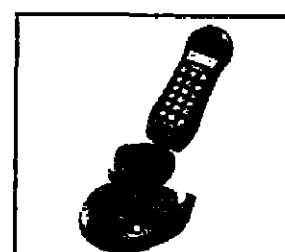
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Swatch: 0800 192192



Call cost 50p per minute at all times. Winner picked at random after lines close 30 December 1997. Usual Newspaper Publishing rules apply. Entries/corrections in final.

## Ffion, your hen night had nothing on this...

William Hague climbed up Ben Nevis for his stag do. Yawn. At least Ffion was up for The Full Monty on her night out. But Clare Gomer could really tell them a thing or two about how to let your hair down at a pre-nuptial bash...

Ffion Jenkins and my friend Frog have never met, but this weekend they might - sipping cocktails on the veranda of the Lake Palace Hotel in Udaipur, Rajasthan. They have married in the same week and are honeymooning at the same hotel. The most significant thing that the two newlyweds share, however, is their ability to beat the bucks at their own game. For when it came to celebrating their pre-nuptials, Ffion and Frog quite

simply outstaged the stags. William Hague brought down the curtain on his bachelor days with a hike up Ben Nevis, by all accounts an outing as tame as it sounds. "It was all very civilised. We got up at dawn and headed for the hills," says the best man, Nick Levy. Afterwards, they had what he described as "cosy chats", MP Alan Duncan, the Tory leader's political secretary and one of his six stags, says the day was "on the right side of decorum... under control rather than out of control." The Scotsman described it as "a case of men behaving badly".

Meanwhile Ffion, 29, was making more bawdy arrangements. Her hen night was reportedly "a relatively raucous affair" with fellow members of the SWS (Social, Welsh, Sexy) Club. They went out on the town for dinner and on to a screen-

ing of *The Full Monty*. Likewise Philippa Shakerley, known to her friends as Frog - or Ffion, if you like - went one step further in the laddishness stakes. She went to the dogs, in the nicest possible way. Last Saturday, at 6.45pm prompt, Dave the minibus driver drew up at Frog's front door. She went out to greet him, only to be told: "I've come to pick up a party of blokes to take them down to the dogs." A kerfuffle of legs, boots and cleavages later, he realised his mistake. Twenty-one nubile, shrieking women climbed aboard, their feather boas streaking behind them.

A trip to a health farm would have been too wholesome; a genteel night-in discussing Janet Regier underwear just not enough fun. "We wanted to be blokes for the night," says Frog, 27. "Lager, scampi and chips, wolf whistles and bet-

ting slips was my idea of a night out. The stags sat in a restaurant eating beef entrecôte and drinking bellinis. The hens' evening took place down at the Wimbledon dogs."

There was a surprise in store for Frog, too. When we arrived at the stadium, she was handed a programme and instructed to turn to the 10th race. There it was: "The Philippa Shakerley Hen Night Stakes (The Frog Race). Trophy presented by Philippa Shakerley." (For £150 anyone can sponsor a race.) Armed with greasy dimers, plastic pints of lager and packets of fags, we nested down for the night. Come the 10th race, we flew down to the pits for a punt on the big one. The fact that every other racegoer was on tenterhooks for the 12th, the Thoroughbred Investments Oaks Final, one of the high-points of the grey-

hound season, was lost on us. "Oh here come the Philippas," remarked one bookie, as we descended on the pits for the Frog Race. "Awe, bleedin' hell. It's the Spice Girls," said another. Moments later, Frog was chucking up the odds and fielding a barrage of proposals from punters. Her moment of glory came when she climbed on to her Astroturf platform to present the glass bowl to the winning owners.

Frog and Ffion are part of a trend, it seems. As men get tamer, women are gamier. Madame Jones, the transvestite club in Soho, has recently been overrun with hens. "We've had so many down here recently that we're really not encouraging it," says a spokeswoman. "We don't want the club full of girls."

Rachel Loos, deputy editor of *Company*, says her readers celebrate their marital rite of passage riotously. Sometimes

with trips to Amsterdam, Ibiza and Dublin. "The attitude is 'Have as good a time as you can'. No one worries about decorum. It's about giving the bride the send-off of her life."

Les Barnes, who drives luxury limousines, finds women "far worse" pre-nuptial passengers than men. "Eight girls get into one limo and, before you know it, they're mooning out of the back window and standing up out of the sunroof without anything on above their waists," he says.

Dave, our minibus driver, doesn't know how lightly he got off. And James, the token cock in Frog's hen party, had a narrow escape, too. The bride-to-be had wanted to top off her night with a quick circuit round the track: all 21 girls in hot pursuit of the one man. Fortunately, the manager refused. It might have been one fence too far.







# 18/LEADER & LETTERS

## The new censor is there for everyone, and we need him



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Before we congratulate our founding editor on his appointment as the nation's chief censor, we should pause to ask what the British Board of Film Classification is actually for. Its title and constitution, as a body set up by the film industry, but with quasi-judicial powers, have a fustian about them. And sometimes the very idea of censorship can seem somewhat antique.

Most adults will associate the board with the adolescent naughtiness of trying to get into X-rated pictures. For some it might recall the pervasive and sometimes irrational wartime censorship parodied in *Catch-22*, when Yossarian got the job of blacking out words and phrases in airmen's letters home and spent a whole day unspraying the rhythms in them.

Nowadays censorship seems at once a more serious and a more hopeless task. The range, depravity and accessibility of what is portrayed in moving images, with sound attached (sometimes rather unconvincingly), is indeed alarming. But we

should not be too impressed by the vivid tableau, often painted, of the rickety defences of civilised values being swept away by a tide of unstoppable filth, much of it foreign. Satellite broadcasting and the Internet certainly pose new and difficult questions of cross-border policing. But the implied choice thus presented, that we should either abandon censorship or adopt a repressive policy of national autarky, is a false one. Just because break-ins occur, there is no reason to legalise burglary or shoot all burglars.

The only sensible policy is to engage in the argument: to establish clear rules and guidelines, accept that some dirty water will find its way past the defences and to attend always to the causes of things rather than to superficial phenomena. This last is perhaps the most important. We must move the debate on from the pointless attempts to "prove" that screen violence causes real violence. Apparently a Home Office study to be published next

month will "demonstrate" a link between violent films and the behaviour of young offenders. Of course there is a link. Not in the simple sense that Dustin Hoffman suggested last year, when he asked if there was a connection between Hollywood's products and the massacres in Dunblane and Tasmania. Sick people will do sick things regardless of whether they have seen *The Terminator*. But the forms their madness takes will always be shaped by something, be it popular culture, religious visions or media reporting of the actions of other sick people.

Censorship cannot be decided on the basis of what might send deranged people over the brink, but rather as a kind of collective agreement that enables a society to rub along together. It needs to reinforce the rules we set for acceptable behaviour, while allowing the expression and understanding of irregular behaviour. Young offenders may choose to watch films which suggest to them that violence is a good way

of resolving disputes or asserting identity. But they will only act on those assumptions if there are no countervailing forces in their families or social groups.

Film-makers and censors need to worry, then, about violence with no moral context, or presented as a source of sexual pleasure. Difficult judgements have to be made, particularly about artistic exploration of the darker side of the human character, but just because they are difficult does not mean they should not be attempted.

Sex, on the whole, should worry the censors less. It too needs to be seen in the context of social rules which enable us to co-exist in mutual respect. If people want to play voyeur on filmed acts of consensual sex, few of us can think of any good reason for preventing them. The only argument against pornography (minus violence) is the continuing concern about the portrayal of women. But that is a matter for social concern, not legal repression.

For these reasons, the system of age

certification is a good one. It helps to manage the transition of responsibility from society as a whole to the parent. The primary responsibility for ensuring that children understand and learn from what they watch lies with parents or guardians, and the system provides a useful guide to what sort of thing to expect.

Most importantly, the censors should be confident that they can account for their decisions, because all they are doing is acting as our proxies. One reason for welcoming Andreas Whitam, Smith's appointment is that the BBFC has undermined the case for censorship by a series of inconsistent and mistaken rulings in recent years. Jack Straw was right to break the convention that Home Secretaries will rubber-stamp an appointment decided on the basis of Buggin's Tum, and for using his power of veto to install a new broom. We hope and expect that this new broom will bring a coherence and a credibility to the regulation of public taste.

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Fax 0171 293 2056; e-mail: letters@independent.co.uk  
E-mail correspondents are asked to give a postal address.  
Letters may be edited for length and clarity.

## LETTERS

### Soldiers and sex

Sir: Colonel Neil Donaldson's remarks (report, 17 December) about two women in Caterick, who may or may not have HIV, are very revealing about the Army's sexism.

It's fine for soldiers to be promiscuous but, at the first hint of danger, Colonel Donaldson accuses the women who have sex with these soldiers of being "liberal with their affections... and... not averse to indulging in casual sex, often unprotected" while his "young soldiers... are somehow vulnerable". Isn't it time that the Army started recruiting real men who are responsible for their own actions?

PETER J RIMMER  
London EC2

Sir: Who knows that two local women are HIV positive? If the Army commander has indeed been informed of this, both he and the health services are guilty of a massive breach of confidentiality.

The wider danger is that this incident feeds Jack Straw's counter-productive proposal to consider making HIV transmission a crime. The truth is that we all have responsibilities for our own consenting sexual actions and government has a responsibility for providing more, better, and continuing HIV education and for supporting people living with HIV, who need privacy and confidentiality, not press hysteria and criminality.

JOHN NICHOLSON  
Director  
George House Trust  
Manchester

### Attack on disabled

Sir: I write on behalf of a group of relatives in the Cambridge area who care for Alzheimer's patients in our own homes.

We resent becoming an easy target for Blair's welfare "reforms" ("Blair is on a mission", 15 December). By all means let him crack down on fraudulent claims, but he must not use a scattered blunderbuss attack which harms those with genuine needs.

Several of us who are under 65 have given up good jobs in order to care for a spouse or parent. In some families where both the a younger victim and a spouse who cares full-time can no longer go out to work, the

financial blow is horrific: I reckon that over the course of this very long and terminal illness my husband and I together will lose quarter of a million pounds in potential earnings. Taxing or means-testing the disability living allowance (DLA) hits a family when it is down and is immoral and offensive.

All of us greeted with hollow laughter the exhortation that people on benefits should be helped back into work. As carers, we receive £37.35 a week invalid care allowance for round-the-clock care of an extremely difficult nature. That works out at 22p an hour. We do a job which would cost the state 10 times as much to provide in a residential home. Yet we carers are not allowed to earn, even if we were able to, more than £50 a week clear. And the cost of buying-in a sitting service for our relative in our absence? Between £5 and £6 an hour.

But here's the real crunch. When a person with dementia

finally enters a nursing home or mental hospital (which then claims the DLA and other pensions), it would be down to the cash-strapped social services or NHS to make up any shortfall such as that created by a means-test or tax deduction on the DLA. So all that Blair will have done is to shift part of the burden of cost from central government to local council or health services. Clever, callous, or just plain thick?

We hope that rebellious MPs will deliver the answer. BARBARA PONTON  
Thriplow, Cambridgeshire

Sir: If "Blair is on a mission" (report, 15 December), he must make some theological distinctions.

He is quite right to want to reduce the social security bill, but the social security bill is not the fault of the welfare state. Social security is a demand-led budget and measures failures in the real economy. He would do more to lower the benefit bill by

repairing the London Tube and by bringing down the level of the pound than by any changes in welfare he can imagine.

There are measures which social security can contribute to reducing the welfare bill and most of these the Taylor review of the poverty trap has in hand. Mr Blair must take care that in encouraging people into work he does not destroy the essential safeguard of a free market, that jobs must be made sufficiently attractive for people to want to take them. If he destroys this, he sets up a system of conscription, which in peacetime is unacceptable and unenforceable.

The one measure he has so far introduced which is likely to produce a significant reduction of the welfare bill is the national minimum wage, and on that I congratulate him.

EARL RUSSELL  
Liberal Democrat  
Social Security Spokesman  
House of Lords  
London SW1

### Green challenge

Sir: Charles Arthur neatly summarises the CBI's lobbying position on Britain's target for reducing greenhouse gas pollution after the Kyoto summit ("Labour faces rethink on greenhouse-gas cuts", 12 December).

The CBI would like the Government to "pluck the low-lying fruit" first - which means the domestic housing sector. And there is "little point" in cutting the main greenhouse gas, carbon dioxide, if reductions in methane, nitrous oxide HFCs etc have an equivalent effect. Of course CO<sub>2</sub> comes mostly from energy generation.

This is the familiar *laissez-faire* formula in which industry does nothing to change structurally, and "targets" are simply set at what emissions will be anyway. Hence they are "realistic and achievable".

This is all tinkering in the margins. For cuts of 10-20 per cent such trade-offs may seem ingenious but cuts of up to 60 per

cent are needed in a few decades if climate is to be protected.

The CBI needs to accept that UK industry must invest in order to become clean, viable and productive for the future, rather than try to cut corners, put off change and hope that enough householders will lag their lofts to enable boardrooms to continue to snooze peacefully.

CHRIS ROSE  
Deputy Executive Director  
Greenpeace UK  
London N1

### 20th century voices

Sir: I was surprised to read Paul McCann's article "BBC to tape the people's 20th century" (12 December).

The Imperial War Museum Sound Archive already has some 28,000 hours of "people talking about their lives during the 20th century". Our 25-year-old, on-going, oral history programme comprises recordings of men and women, civilians and service personnel, in a social history col-

lection that documents the entire century, including the two major wars, up to the present day. It covers such areas as employment, domestic life, medicine and health, sex, food, religion, technology, entertainment and politics. The accounts span courage, fear, humour, love and loss.

Listening copies are available in analogue and digital formats. The archive is regularly consulted free of charge by academics, schools groups, authors, broadcasters and interested individuals.

Efforts to expand the documentation of this century's history via professional oral history interviews should be applauded. It would, however, be wrong to give the impression that we must wait for the millennium and the efforts of the BBC in order to listen to the tales of this century.

MARGARET BROOKS  
Keeper of the Sound Archive  
Imperial War Museum  
London SE1

### Rail by road

Sir: The practice of transporting trains by road (Letters, 13 December) predates privatisation and has nothing to do with access charges imposed by Railtrack. It is intrinsically linked to the lack of a level playing field in transport costs.

As a result of rail privatisation, for the first time in nearly half a century the real costs of using the network, including external costs such as policing and environmental management, are now known and are passed on to train and freight operating companies. If the price of hauling a train by road included external elements such as environmental clean-up, traffic policing and a contribution towards the cost of congestion to business, rail might be the more cost-effective option.

MIKE GIBSON  
London E15

Sir: The still nationalised British Rail accepted several years ago that its enormous consumption of diesel fuel would be much less expensive if delivered by road tankers, rather than by its own rail system.

As long as this ridiculous situation is allowed to prevail, Britain's roads will continue to be choked by HGVs. It must make both economic and ecological sense for the rail network to be the main freight distributor, with road transport taking over for the link from the rail-head to the final destination.

J WYSE  
Birmingham

### London shunned

Sir: I suspect your survey comparing French and British attitudes to each other (17 December) makes the mistake of taking London as the voice of Britain. I doubt whether 50 per cent of British people would wish to live in London, let alone the French.

JAMES T HIRST  
Nottingham

### Fashion fan

Sir: Loved your lingerie feature (17 December). Could we please have more of the same, with the same model if possible... perhaps on page three in future?

NORMAN HOUSLEY  
Leicester



MILES KINGSTON

## The whole shopping centre was in on the act - even Father Christmas

Today I bring you the second and final part of our Christmas story set in the tough world of retail trade.

There is far too much shop-lifting going on in the trendy Atrium shopping mall, so general manager Don orders security head Gerry to show that his security men mean business. Gerry seeks publicity by getting out-of-work actor Lenny to pretend to be a shop-lifter. Lenny is pursued by two guards down the street, where the public step in - and beat up the security guards! Now read on.

"This wasn't the sort of publicity we were looking for, Gerry," said Don. "The idea was that you would show how good your guys are at spotting, chasing and apprehending

shop-lifters. But your hired man, your fake shop-lifter, got away. That sends out the wrong message, Gerry."

"Oh, come on - I wasn't expecting the public to intervene!" protested Gerry. "Normally, when you cry 'Stop Thief', the public is expected to stop the thief, not side with him. But my men were deliberately set upon to allow Lenny to get away with this decoy jacket he was making off with!"

"Did we get the jacket back?" inquired Don.

"Sure we did," said Gerry. "At least Lenny is honest! You may not get shop-lifters returning things, but you can generally trust an out-of-work actor. Especially if he hasn't been paid yet."

"Did Lenny have any comment to make on the cock-up?" said Don.

"No. Well, he did, but it was only a rather silly suggestion."

"Tell me."

"He said, jokingly, that we should have had two fake members of the public, played by actors, ready to leap out and tackle him."

"Two actors arresting another actor?"

"Yes."

"I like it," said Don. "Do it." They did it. Lenny ran away again, and was again pursued by the security men, but this time he was stopped in his tracks by the two actors in the crowd, who, disguised as real people, leapt out and put him in a terrible arm-lock.

Unfortunately, this annoyed the rest of the crowd, who didn't like to see an unfortunate shop-lifter set on by the forces of righteousness, and they liberated Lenny the actor by using a little bit of force against the security guards.

Lenny brought the jacket back again.

"Tell you what," he said to Gerry, "why don't you have a couple of actors standing by dressed as policemen? Then they could weigh in and rescue me from the actors dressed as members of the public!"

"I think you'll find," said Gerry heavily, "that it's an offence to impersonate a police officer."

"No, it's not," said Lenny. "Jack Warner impersonated Dixon of Dock Green. Those

blokes in *Z Cars* did it too, and so, I believe, did John Thaw as Inspector Morse and none of them was ever arrested for the crime! Also..."

"Yes, yes," said Gerry. "I get your point."

The next time it happened, Lenny ran away with the jacket and was apprehended by two members of the public (played by actors) who were supported by a policeman (played by an actor) who was unfortunately impeded by the public (played by themselves) and Lenny got away again. He brought back the jacket again (Armani copy, £229.99).

"We could have the public all played by actors next time," said Gerry, hopefully. "Every spectator, every bystander. All fake.

That would be impressive. Incidentally..."

"Yes?" said Don.

"Have you vetted the bloke that plays Father Christmas in the mall? Can you trust him?"

"You mean, trust him not to touch up little children?"

"No," said Gerry disgustedly. "Trust him not to shop-lift... Father Christmas's costume might have been custom-built for shop-lifting..."

By the time Christmas was only a week away, almost everyone of consequence in the mall was played by an actor. Father Christmas, policemen, members of the public, shop-lifters, everyone. Crime had gone down, sales figures had gone up. "I think we've turned the corner," said Gerry, when he went

for his quick daily meeting with Don. "Crime is down, impersonation is up. At this rate, all the shopkeepers will be played by actors as well!"

There was no reaction. Then Don turned round. But it wasn't Don! It was someone else!

"I'm afraid Don couldn't make it today," he said. "I'm standing in for him."

The funding for this story has been provided by Equity, the actors' union. This Christmas time, please don't forget out-of-work actors, and please try to use them whenever possible. They can masquerade as anyone - your in-laws, carol singers, waiters at parties etc. They're cheap and they're cheerful, and usually house-trained. You won't regret it!



## Cook or Dewar: which will be First Minister?



**DONALD MACINTYRE**  
SCOTLAND'S  
NEW LEADER

On his recent visit to Budapest, Robin Cook publicly said twice that he looked forward to returning one day as the Foreign Secretary of one EU member state visiting another EU member state. On the face of it, this was a polite but unremarkable piece of diplomatic orthodoxy: giving a welcome push to Hungary's desire to join an enlarged European Community. To the augurs of Scottish politics, however, it is pregnant with significance. For if Cook meant what he said, he must finally have ruled out the prospect of him becoming the first First Minister of Scotland. On no possible timetable of EU enlargement could Hungary join the EU before Cook would, if he chose to make his career in Scotland, have to take a seat in the new Scottish parliament, forsake the Foreign Secretaryship, and stand for the top job in Edinburgh.

But did he mean what he said in Budapest? Last weekend, *Scotland on Sunday* set pulses racing with a story suggesting that Cook and Donald Dewar, Scottish Secretary, and hitherto the man most frequently tipped to head the new Scottish executive, had reached a tentative and informal deal – a version of the famous Granita pact under which Gordon Brown abandoned his leadership ambitions in favour of Tony Blair. Allegedly, Dewar would stand aside, perhaps seeking instead the speakership of the new Scottish parliament, and allow Cook a clear run at the First Ministership. Liberated from the shackles of collective cabinet responsibility, and from a punishing travel schedule which inevitably removes him from the forefront of domestic politics, the most articulate figure on the neo-Keynesian left in British politics would thus become the most powerful man in Scotland. He would be free at last to put some of his economic and social ideas into practice: socialism in one country. And the ever-modest Dewar would withdraw to relative obscurity, confident of his place in history as the chief architect of the transforming devolution Bill, which he published yesterday and will triumphantly pilot through the Commons next year.

Certainly, such a course would have great attractions for Cook. He shows every sign of enjoying being Foreign Secretary and Tony Blair is said to be among those who regard him as a conspicuous success in the job, particularly in European negotiations. But before he was made shadow Foreign Secretary by Blair and applied himself to the job with all the diligence of the precocious schoolboy swat he once was, Cook's principal interests were all in domestic politics. And it's difficult to see, as long as Blair remains Prime Minister, what Cook's next career move

could be in London. It's scarcely possible at present to imagine Brown vacating the Chancellorship. But even if it wasn't, Cook himself probably accepts deep down that, however well qualified he may be intellectually to go to the Treasury, he would be ideologically unsuitable to do the job in a Blair administration. The Home Office is already pretty well precluded, given that he is a Scottish MP and that the Home Office's writ is mainly confined to England and Wales. It would certainly be so once the Scottish Parliament was in being. This leaves only the sort of cabinet jobs that after the Foreign Office would seem a bit of a let-down, and beside which the First Ministership of Scotland might be a truly thrilling prospect.

So last weekend's story has a superficial plausibility. Cook has not finally made up his mind whether he wants the job; he will no doubt be thinking about it over Christmas. And it's theoretically conceivable that Dewar would stand aside for him. But don't bank on it. First the strength of Dewar's own claim on the job should not be overlooked. From Blair's point of view he would be an ideal choice. Everything Dewar has said over the past couple of years suggests an anxiety to ensure that the Scottish Parliament beds down with a minimum of friction with the UK administration. For all his brilliance Cook might be less, well, predictable. To take just one example, it's easier to imagine Cook chafing at the Labour Party ordinance against use, in the first term of the new parliament, of its tax-raising powers.

Secondly there would be something highly appropriate about Dewar, happier in politics than he has ever been, becoming the first incumbent of a job that he has been so proud as Scottish Secretary to create. Thirdly – though this is a point that will irritate supporters of a Cook First Ministership – Dewar has believed in the Scottish Parliament throughout his political career. By contrast Cook is a (relative) late-comer to the cause of the Scottish parliament, having been a prominent opponent in the 1979 referendum, and having only become a convert after the 1983 general election when Labour slumped to its worst post-war defeat despite success in Scotland. Finally, there is no sign whatever that Dewar has remotely lost interest in taking the job – rather the reverse. Nor is there any reason why, at only 60, he should.

In theory, the First Ministership need not be decided until after the Scottish Parliament elections in May 1999. Formally it is the new parliament that elects the First Minister. Yesterday, briefing on the Bill in London, the Scottish Office minister Henry Macleish declined to confirm absolutely that Labour would enter those elections with a clear candidate for the job at its head. But all the other parties will have leaders; it would be an unthinkable severe handicap for Labour, virtually certain to become the biggest single party, not to be led at the elections by one clear candidate for the top job. And in any case, Cook would have to decide by the middle of next year whether to stand for the Scottish Parliament. He is nine years younger than Dewar; he could yet stand as the *second* First Minister. These are deep waters: it is unlikely that Cook has yet altogether ruled out the possibility of standing against his old adversary Brown for the UK Prime Ministership in the hugely unlikely event of Tony Blair suddenly bowing out. Easily the best guess is that Cook told the Hungarians the truth.

## Fear of Aids is not the only thing that frightens the modern soldier



**SUZANNE MOORE**  
ON WHY OUR  
SOLDIERS CRY

It does not take that much to bring the British army to its knees. I'm not talking chemical warfare here. Something far more deadly has emerged as a serious threat to the safe-keeping of our boys who have been put on slapper alert. Two 19-year-old women living in North Yorkshire have been identified as a threat to, according to *The Sun*, "5,000 troops", because they were said to be deliberately spreading the Aids virus.

This story was prompted by the fact that the garrison commander of Catterick had earlier in the week posted a warning to his troops around the base. This warning said that a confidential source had told him that "at least two females living in the geographical area of Catterick Garrison have contracted the Aids virus and are HIV-positive. These same females are believed to be liberal with their affections, particularly to soldiers, and are not averse to indulging in casual sex, unprotected". Commander Donaldson has since defended this action by saying, "We have a duty of care. We have a lot of very young soldiers who are rather vulnerable."

The two women, who have been practically tarred and feathered by the tabloids, are also perhaps vulnerable. They have not been entitled to any privacy. We know their names, their faces, what one of the estranged husbands thinks, what other people in the village have said about them. One of the women has had her windows broken and has been ostracised by the rest of the village.

All of this strikes me as little more than malicious gossip, rumour-mongering elevated to the level of news. How did Donaldson's confidential source know that these women were HIV positive? Had he seen the results of these women's HIV tests? No. Because the women had not had them. Yesterday one of the women, who has since been tested, announced that she was found negative. One hundred soldiers at the base have also sought medical advice. Of course these soldiers are not to be named, nor will we ever know what sexually

transmitted diseases they may or may not have. Donaldson could easily have issued a safe-sex warning without scapegoating particular women.

However the whole tone of this "story" has been positively medieval: from the bizarre language of the army beds – "females" used instead of "women" – to the witch hunt of *The Sun*, which informed us that one of the "girls" doesn't deserve to be a mum. I take it then, that the 100 soldiers who were also possibly "liberal with their affections" do not deserve ever to be dads. Yet our sympathy is supposed to be with the poor young squaddies. 20 of whom are reported to have broken down in tears.

This is presumably what made Sir Michael Rose, one-time commander of the UN Protection Force in Bosnia write an article that *The Daily Telegraph* chose tellingly to headline "Why Europe, women and homosexuals threaten our armed forces". This unholy triumvirate, which has apparently done so much to undermine the status of men in civilian life, must not be allowed to affect our boys. Why? Well, our boys

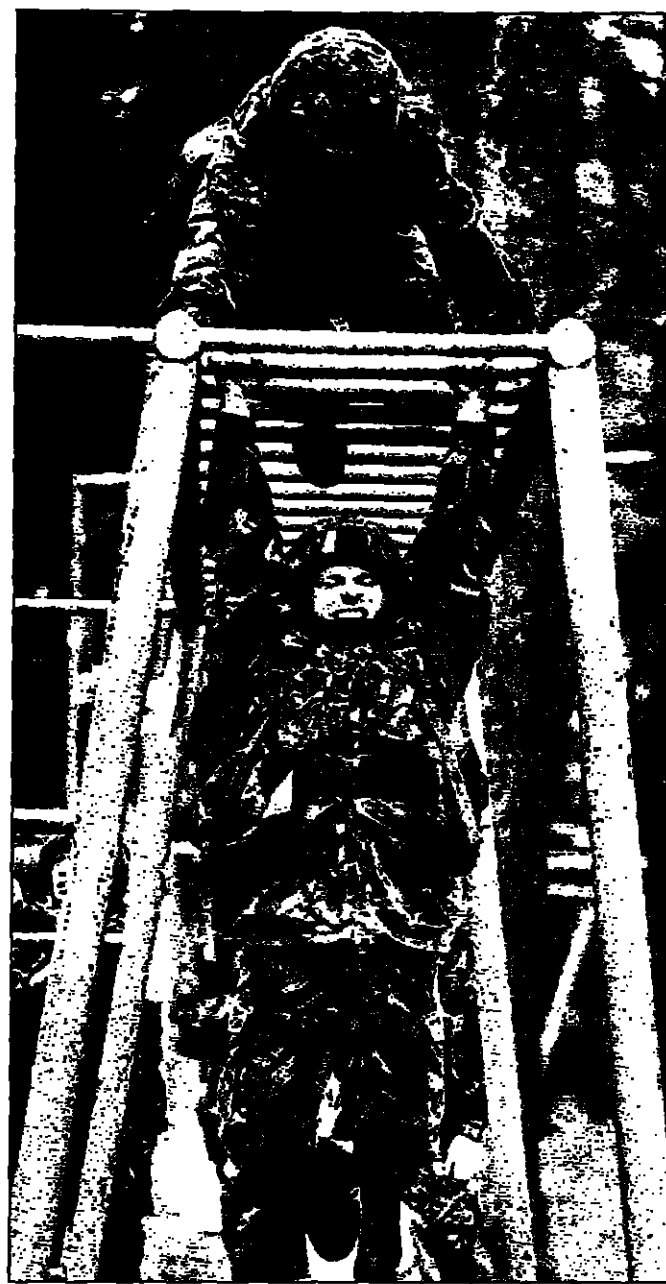
are different and must not be destroyed by a "mixture of cultural change within our own society". Soldiers apparently need a different set of moral values because unlike civilians they may be required to kill and be killed.

In other words soldiers must be protected from the assaults on masculinity that have taken place in the rest of society. But the hard truth is that it is already too late. We are talking, are we not, of an institution in decline? There are not enough recruits; and the ones that there are do not respond to the endless barracking and physical discipline as before, because men have changed. They are softer. Even their feet are softer because of the wearing of trainers, so they can't get used to boots. More seriously, the end of the Cold War has meant that the role of the armed forces is itself in question.

While the mythology of active combat is always there, many of the tearful squaddies at Catterick will not actually be required to fight in this way. Their role will be primarily one of peace-keeping duties, and though there may be the

The real assault course is one that the Army does not know how to protect its soldiers from: the unholy triumvirate of Europe, women and homosexuals

Photograph: Craig Easton



as a kind of homo-erotic form of male bonding, but one that is apparently a traditional and acceptable part of army life.

In such a context women, whether in the army or outside it, are always going to disrupt this uniformity of masculinity, which is remarkably seen as devoid of sexuality. As Major-General Ken Perkins wrote in a letter to the *Telegraph*, "In war, there is already enough tension in the front line, without introducing an unnecessary element of sex." The admission of women and gays into the Army means that sex will presumably be thrust onto the agenda where it was strangely absent before.

The question that needs to be asked is whether the Army should be reflecting in any way at all the changes that have taken place in the rest of society or should it further isolate itself from them? Surely the more it "protects" and infantilises its members, because of the need for "soldiers to be different", the less any one will choose this arduous career. In common with so many of our institutions, it has to modernise; and modernisation means that the old enemies of femininity, homosexuality and racial difference have to be incorporated into its ranks rather than excluded.

To judge by this week's events featuring devouring women and cry-baby soldier boys this is virtually impossible. The fear and loathing of "females" expressed by officers, squaddies and newspaper reporters alike has been shameful, but in its own horrible way thoroughly revealing. If 5,000 troops can't cope with two promiscuous teenagers, then it's hard to imagine that these same lads will be potential heroes when it comes to anything more demanding. Clearly, as long as these men are encouraged to treat women as an entirely separate species, it is unlikely that they will want to serve alongside them on the front-line.

Those of us not in the Army might also wonder about the issue of sexual responsibility. Why has it fallen entirely on the women and not the men in this case? In a neat role-reversal, these men, supposedly tougher and more manly than normal men, have been portrayed as blubbing victims of the wicked witches of the North. But if these men are victims at all, they are victims of the Army itself which insists on fighting a losing battle.

## Appearance and reality in the land of opportunity



**MARY DEJEVSKY**  
LYING IN  
AMERICA

Were you ever told not to hide your light under a bushel? In competitive, performance-gear America, such Biblical advice seems quaintly timid. Here, it is a rare creature indeed who lingers in the shadows. Everyone else is out there shining for all they are worth, determined to catch whatever limelight may be going well. Sometimes, though, the pressure to shine as brightly as America expects calls for booster batteries and borrowed power, and the attendant risk of exposure. The past week has furnished two notable examples: the one tragic, the other

comic (or nearly), and both instructive.

Fifty poor Larry Lawrence, a millionaire businessman from California grown rich in the hotel business. Wealth alone was not enough for him. Lawrence craved respect, influence and public office. He donated cash to the Democratic Party, gained access to its most luminous star – a certain Bill Clinton – and was rewarded in the fullness of time with an ambassadorship.

On his way to recognition, however, Lawrence embellished his CV with an episode of war heroism – an injury sustained while trying to save crewmates during an attack on the Arctic convoys in the Second World War. In life, he got away with it. In death, by an accident of Washington politics, he was found out. Half a century after his fictitious exploit, he fell victim to Republican charges that Democratic Party donors had been able to "bury" burial plots at Arlington cemetery. Last week, Lawrence became the first person to be disinterred from the nation's military burial ground.

The irony was that he may not have needed a military history to be buried at Arlington; his death in ambassadorial ser-

vise might have sufficed. But his lie had been exposed, and America shows no mercy to those who defile what it holds sacred. "Dig Him Up" was the headline on a New York tabloid, even before his widow proposed that very solution.

The other CV polisher was Al Gore, the Vice-President. He told reporters that he was the model for Oliver Barrett IV, the "preppy" law student hero of *Erich Segal's Love Story*. That Al and his wife – then girlfriend – Tipper had been the prototypes for the tragic couple did the rounds of the gossip columns for days – with never a word of denial or clarification from the Vice-President or his PR team – until Segal turned up to set the record straight. Al was half of Oliver, he explained: the staid, pressurized, son-of-famous-father half, not the creative, sensitive half. Tipper was nowhere.

These two tales, the tragic and quasi-comic, seem almost forgivable beside other ego-boasting deceptions of recent memory. Lawrence was disinterred only weeks after a federal judge in California, James Ware, withdrew his name as an appeals court nominee. He had been forced to admit that he was not the brother of a boy

who had died in an Alabama racist shooting. Although, he had told the tale for years, he had finally to concede that they were not related.

Then there was Admiral Jeremy Boorda, who committed suicide after being exposed by a journalist for wearing medals to which he was not entitled. And further back was the case of Janet Cooke, winner of America's most prestigious journalism prize, the Pulitzer, for a feature about child drug addicts that was pure invention. Her CV was fictitious, too, claiming a degree from the elite Vassar College.

Disparate though these cases seem, they have something in common beyond the boldness of the invention and the fact that they were found out. The perpetrators all wanted to improve themselves, and the establishment they aspired to wanted desperately to believe them, each compensating for his or her own inadequacy.

Larry Lawrence, perhaps over-cruelly exposed now as a self-made man of shallow vanity, gave himself a heroic past. The stolid Al Gore gave himself a trait of romantic spontaneity. Judge Ware, whose first error, like Gore's, may have been to allow someone else's

mistaken assumption to stand, gave himself a civil rights history he did not have. The admiral awarded himself additional distinction. And Ms Cooke gave herself an elite degree, without which – as a former colleague of hers conceded – she would never have got a look-in at the *Washington Post*. But the *Post* (like the military, like the courts, like the political establishment) needed someone just like the person she purported to be – in her case, a bright young black reporter. All of them gave these exaggerations the benefit of the doubt.

In fast-moving, success-orientated America, the temptation for ordinary but aspiring mortals to enhance their qualifications to fill in the perceived gaps is always there. The question now is how many more have crossed the line from enhancement to lies and got away with it – from those who understated their age and overstated their qualifications to enter the US in the first place, to those who pinned an extra medal on their breast?

The barest acquaintance with American CV-writing suggests that this is an art akin to advertising. Career resumes are designed to compete with

the brashiest in the market. The rule is "sell" yourself. Disappearing from one part of the country to "start" over with a new identity in another is an honourable American tradition; but this is not just "starting over", it is repackaging.

If there is a flaw in American selection procedures, it is the attention to packaging. If you look plausible, ooze confidence, speak briskly and to the point, that is taken as a measure of competence. Often, little more is required. "He's done too many talk shows" was a rare criticism of a well-qualified academic whose answer to a searching question extended no further than a glib sound-byte.

Were CVs treated as advertising rather than history, all might be well; but they are not. And while legions of "fact-checkers" sift pre-publication articles and books for errors, the checking of career histories goes by the board. One call to Larry Lawrence's college would have rumbled his military claims; one check on Judge Ware's family, one call to Vassar College about Janet Cooke would have established the truth. But the truth is not something Americans are in hurry to find out.

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## Stock Exchange imposes record £350,000 fine on JP Morgan for manipulating the FTSE 100

The Stock Exchange last night handed out a record £350,000 fine to the US investment bank JP Morgan, after two traders tried to manipulate the market. To try to prevent further abuses, the Exchange is to intervene directly in New Year's Eve trading and has clarified its position on market manipulation. *Lea Paterson reports.*

JP Morgan yesterday announced it had fired the two traders who attempted to drive down the level of the FTSE 100 towards the close of trade on Friday, 28 November. The bank said in a statement: "JP Morgan has concluded its internal investigation into the matter and two individuals have been terminated in its London office." A spokesman declined to name the individuals involved. The Stock Exchange yesterday imposed a record £350,000 fine on the US bank after concluding its traders had

acted with "the sole intention" of moving the FTSE 100, in breach of Exchange rules. The last time the Exchange fined a member firm was in March 1994, when J&E Davy, an Irish stockbroker, was fined £150,000 (£133,000). The Stock Exchange said last night its investigation into the matter was now closed. At the beginning of this month, the Exchange announced it was to look into unusual trading patterns at the end of November. In the closing moments of trade on 28 November, the FTSE 100 dropped more

than 30 points after substantial falls in the shares of Glaxo Wellcome and SmithKline Beecham, the pharmaceutical giants. The two JP Morgan traders are thought to have taken advantage of late afternoon illiquidity in Sets, the Stock Exchange's new order-driven trading system, to drive down the level of the FTSE 100. The traders are understood to have been hedging an over the counter options contract. In a separate development aimed at solving the problem of rogue closing prices on New Year's Eve, the Stock Exchange

announced yesterday it would not allow share prices to be determined solely by the forces of demand and supply on 31 December. Instead, Exchange statisticians will analyse closing prices for each FTSE 100 stock and will disregard prices they deem "exceptional". Under Sets, traders type into an electronic order book the number and the price of shares they wish to sell (or buy). The orders then remain on the book until they are matched with an equivalent buy (or sell) order, at which point the trade is executed.

Late in the afternoon, traders tend to remove non-executed orders from the book to avoid being caught out by overnight developments in the US and in the Far East. This means that prices on the order book at this time can be unrepresentative of the day's trade. As the last trade executed gives a share's closing level, trades executed in the late afternoon can give rise to so-called "rogue" prices. To try to solve this problem on New Year's Eve, a day when closing prices are used for fund valuations, the Exchange has

calculated the average volatility of each FTSE 100 stock on a normal day's trade. On 31 December, the Exchange will take the price given by the last trade in each stock, and compare it with that stock's average volatility. A price deemed to be out of line with normal trading prices will be disregarded for the purposes of calculating closing values. Closing prices, both for shares and the FTSE 100, will be calculated from the last trading price that satisfies the "normality" test imposed by the statisticians. *Outlook, page 21*

## Fears for UK jobs as Kodak takes axe to 16,000

Kodak, the US photographic giant, yesterday stunned its workforce by announcing plans to cut another 6,600 jobs, on top of 10,000 already announced last month, in a \$1.5bn (£915m) restructuring drive. The news from the group, which is the world's largest producer of photographic film with 40 per cent of the market, raised the prospect of further jobs losses from its 5,000 strong British workforce. A US spokesman said most countries would be hit. "It would be fair to say the impact of this will be felt everywhere," he said, though there were no details of the regional breakdown. Last month Kodak said it would cut 10,000 jobs worldwide, to save \$1bn, in the face of tough competition from Japanese rival Fuji. But yesterday the company revealed that the programme would see 16,600 job losses by 1999 out of a global workforce of 100,500. Kodak employs about 1,000 people at its base in Hemel Hempstead in Hertfordshire and 2,000 in Harrow, north-west London, where the group makes colour photographic paper. A further 600 staff are based at Annesley in Nottinghamshire and Kirby on Merseyside. The group's British operations made sales of £1.3bn last year and profits of £131m. Previous restructurings have already taken their toll on Kodak's UK operations, where staff numbers have fallen from 8,400 to 5,000 since 1992. Part of the drop came when Kodak sold its UK photocopy business, employing 1,200 staff, to Danka. The global reductions are on top of 2,500 job cuts still to come from a previous restructuring package announced late last year and another 800 revealed earlier this year. Kodak said it would take a \$1.5bn restructuring charge to fund the latest programme, half of which would cover redundancy payments. Kodak's problems intensified this summer when Fuji slashed the US price of colour camera film by 20-30 per cent for some retail chains, in a concerted attack on the domestic market of its arch rival. Meanwhile, the US group has been preoccupied with new forms of digital photographic technology. Last night Kodak shares, which had almost halved this year on the setbacks, rose by 5 per cent on Wall Street as analysts predicted a quicker improvement in profitability. *- Chris Godsmark*

## Asda rules out hostile bid for Safeway as sales soar

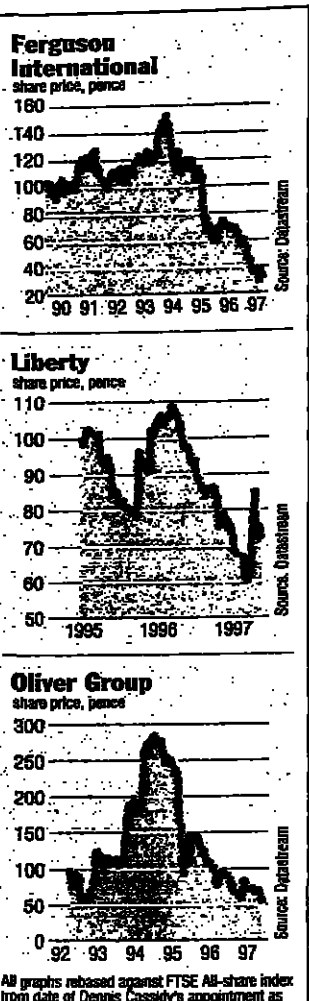
Asda ruled out a hostile bid for Safeway yesterday as it posted soaring profits and rising market share. But as Nigel Cope, City Correspondent, reports, Asda has not dismissed the possibility of an agreed £9bn merger.

deal. According to observers, Asda feels a hostile bid would be more likely to fall foul of the competition authorities than a merger. The company is unwilling to risk the months of uncertainty that an investigation would require. Mr Leighton was speaking after Asda's chairman, Archie Norman, had also poured cold water on the fevered bid speculation. "A lot of the speculation has been fanciful, to say the least. Nothing has changed since September and apart from the occasional encounter at the odd Christmas party we have had no contact with Safeway whatsoever." But he added: "I'm not ruling anything out for an eternity. I'm a businessman." He said Asda was not averse to acquisitions and had looked at buying the Welcome Break service stations earlier this year. But he said the company did

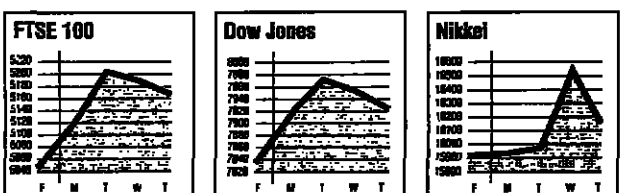
not need a deal to improve the business. It plans to double the number of Asda hypermarkets from 15 to 30 over the next two years while other stores will be extended. The comments came as Asda reported a 19 per cent increase in first-half pre-exceptional profits to £190m. Asda's same store sales have increased by almost 9 per cent, well ahead of all its supermarket rivals, and its market share has increased from 10.6 per cent to 11.7 per cent. This is now well ahead of Safeway's share, which it reported last month as 7.8 per cent. Analysts said the figures showed that Safeway was beginning to lose touch with Tesco, Sainsbury and Asda. "I think that in a few years' time we will be talking about the big three rather than the big four, whether Safeway gets taken over or not," one analyst said. Asda shares closed 7.5p higher at 178p. *Outlook, page 21*



Denis the Menace: How Mr Cassidy's three companies have underperformed Photograph: FT



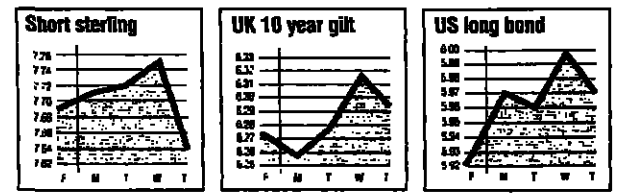
### STOCK MARKETS



\*Dow Jones index and graph as seen on TV

Index	Close	Change	Change(%)	52 wk high	52 wk low	Yield(%)
FTSE 100	5168.30	-22.50	-0.43	5367.30	3879.10	3.29
FTSE 250	4735.80	-20.50	-0.43	4963.80	3563.70	3.51
FTSE 350	2477.40	-10.50	-0.43	2570.50	1977.10	3.33
FTSE All Share	2417.28	-9.78	-0.40	2507.68	1925.31	3.33
FTSE SmallCap	2301.60	1.10	0.05	2407.40	2131.00	3.35
FTSE Fledgling	1252.90	-1.40	-0.11	1346.50	1205.70	3.37
FTSE AIM	974.80	3.30	0.34	1138.00	965.90	-1.09
Dow Jones	7821.35	-35.05	-0.44	8299.03	6306.33	1.73
Nikkei	16161.64	-379.42	-2.29	20910.79	14966.13	0.95
Hani Senn	10754.11	61.41	0.57	16820.51	8775.88	3.94
Dax	4166.24	7.56	0.18	4458.89	2802.83	1.80

### INTEREST RATES



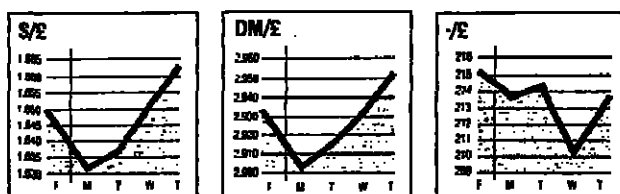
Money Market Rates

Index	3 month	1 yr	1 yr	1 yr	1 yr	1 yr	1 yr	1 yr
UK	7.72	1.28	7.75	0.76	6.29	-1.37	6.25	-1.49
US	5.91	0.51	5.03	0.19	5.78	-0.58	5.57	-0.73
Japan	0.74	0.31	0.72	0.16	1.91	-0.89	2.54	-0.70
Germany	3.75	0.50	4.04	0.75	5.28	-0.58	5.86	-0.92

### MAIN PRICE CHANGES

Rises				Falls			
	Price (p)	Chg (p)	% Chgs		Price (p)	Chg (p)	% Chgs
Danica Bus Syst	233.00	18.50	8.62	Blocomp	490.00	-65.00	-11.71
Guardian Royal	340.75	16.75	5.17	RJB Mining	150.00	-13.50	-9.23
ASDA Group	178.00	7.50	4.40	Telewest	71.00	-4.00	-5.33
Brit Sky Broad	467.00	18.00	4.01	Gen Cable	91.50	-5.00	-5.11

### CURRENCIES



Pound

Index	at 100	Change	Yr Ago	at 100	Change	Yr Ago
Dollar	1.6632	+1.11c	1.6715	Sterling	0.6013	-0.40c
D-Mark	2.9526	+2.55p	2.9978	D-Mark	1.7752	+0.37p
Yen	213.80	+¥3.75	190.22	Yen	128.55	+¥1.41
£ Index	104.10	+1.00	94.40	£ Index	107.90	+0.30

### OTHER INDICATORS

at 100	Change	Yr Ago	at 100	Change	Yr Ago
Brent Oil (S)	16.92	0.22	23.87	GDP	113.90
Gold (S)	286.85	0.50	369.75	RPI	159.60
Silver (S)	8.01	0.16	4.85	Base Rates	7.25

source: Bloomberg

## BSkyB suffers another defection

BSkyB has suffered another senior defection, in the same week that four cable operators put the final seal on a pay-per-view service to rival the satellite broadcaster. Bruce Dunlop, director of promotions and creative services, left the company earlier this week, it emerged last night. His departure coincided with the announcement from a consortium of cable companies that they have formed their own pay-per-view outfit, called Front Row. The service, which is backed by Telewest Communications, NTL, Diamond Cable and General Cable, will offer "movies-on-demand" to cable customers with films from Warner Brothers and Columbia TriStar. It is being hailed by the cable industry as the first successful challenge to BSkyB's stranglehold on programming rights. However, some critics said yesterday that Front Row, which plans to launch in February, had been enfeebled by the withdrawal of the largest UK cable company, Cable & Wireless Communications, from the consortium. C&W will be taking BSkyB's pay-per-view operation, Sky Box Office. Mr Dunlop said he had left BSkyB after "we both decided Elisabeth Murdoch [BSkyB's general manager of broadcasting] wanted to do things differently." He was responsible for building BSkyB's brand, and took charge of the company's successful sports promotions. Mr Dunlop's exit follows the resignation of Sam Chisholm, formerly chief executive and managing director, and his deputy, David Chance. Mr Chisholm, who poached Mr Dunlop from Australia's Channel Nine, stepped down due to ill-health. However, his departure has sparked a series of senior management changes, which have knocked the share-price.

— Cathy Newman

## Cassidy quits on second profit warning

Denis Cassidy, who was ousted as chairman of Liberty last week, yesterday announced that he would resign as chairman of Ferguson International after the label manufacturer issued its second profit warning in six months. The news rounds off a dreadful year for Mr Cassidy, during which all three companies he chairs have been in trouble. He lost his job at Liberty when a group of disgruntled shareholders called an extraordinary general meeting and voted him out. Meanwhile, shares in Oliver, the shoe retailer where Mr Cassidy has been chairman since 1992, have fallen by a third this year as the company has

struggled with sluggish high street sales. Ferguson has also proved problematic. In July, chief executive David Watson resigned after less than a year in the job when the company said interim profits would fall below expectations. Mr Cassidy said his decision to retire from Ferguson had nothing to do with the Liberty saga. "I'm a part-time chairman. I've had enough time to devote to Ferguson," he said, adding: "The chairman doesn't go around selling the labels. He manages the board." Stephen Gutteridge, chief executive of Ferguson, said Mr Cassidy had been planning to stand down for some time.

"Denis and I get on extremely well." He blamed the profit warning on a slowdown in the market and a lack of concern for customer care. He said the company had already announced 150 redundancies, and more would follow. Shares in Ferguson dropped 36p to 94p. Mr Cassidy is unrepentant. "If you make a career out of becoming chairman of companies in some difficulty it would be surprising if everything ran like clockwork," he said. Nevertheless, recent experiences had not been pleasant. "The last three months has not been the most attractive period of my life."

Despite losing two directorships in two weeks, Mr Cassidy is not actively looking for new opportunities. "I don't go out and sell my services, people come and ask me," he said. Despite the upheavals of the past year, he did not feel his reputation had suffered. Mr Cassidy has held numerous directorships. He was formerly on the board of Boddington's, the brewing group, and helped bring carpet retailer Kingsbury to the market in 1995 before standing down last year. When taking on a position at a company, he aims to stay for about five years. "Hopefully you go in and try to create an established board and then have a seamless transition."

## Signs of economic slowdown increase

Mortgage lending dipped last month, and growth of the broad money supply - a Bank of England bugbear - slowed. Despite these fresh signs that the economy is cooling off, the financial markets still expect interest rates to rise again. *Diane Coyle, Economics Editor, reports.*

The building societies and high street banks made new loans amounting to £1.5bn to homebuyers last month, compared with £1.8bn in October. Both groups of lenders said the housing market recovery seemed to be cooling down. This view was fleshed out by Abbey National, which predicted that house prices would rise by just 5 per cent next year after a rise of about 9 per cent this year. The Council of Mortgage Lenders separately forecast a 5-6 per cent rise in 1998. Andrew Pople, retail managing director of Abbey National, said: "Over the past few months signs have been emerging that the pace of the recovery is slowing." This was mainly due to the five interest rate rises since May, he said. The growth in both prices and the number of home purchases would slow.

Other lending to consumers last month was buoyant, according to the British Bankers' Association. New loans amounted to £526m, £10m lower than in October but well above average. However, other figures confirmed the general picture of a gradual slowdown in the pace at which the economy is expanding. The Bank of England reported that year-on-year growth in M4, the broad money supply measure, slowed to 10.5 per cent in November. The Bank of England said in its last Inflation Report that broad money growth would have to slow to keep inflation on target. While it is probably still too high for comfort, it has

slowled from a peak of 11.9 per cent in July. The detail of the figures showed a sharp rise of £7.2bn in total lending by banks and building societies, but more than £3bn of the increase was due to transactions in the gilts repo market. The underlying increase in lending of around £4bn was similar to recent months. Lending to industry was relatively subdued. Separately, the Office for National Statistics said the turnover of the engineering industry had risen by 0.7 per cent in the three months to October, taking it to a level 4.2 per cent higher than the same period a year earlier. There was a 1.5 per cent rise

in the industry's overseas sales during the three-month period, while sales in the home market were flat, confirming other signs that exports have so far held up despite the strong pound. The evidence that growth is subsiding is coming from the consumer sector rather than the export industries, which were thought to be the most vulnerable. Slowdown or not, the financial markets concluded yesterday that the Bank of England will raise interest rates at least one more time in the early months of next year. Along with a strong hint from the Bundesbank that German rates will not rise, this took the pound nearly two pence higher to just over DM2.95 yesterday.

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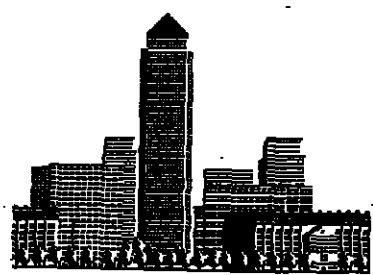
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## New Year fix is no long-term solution for Sets



**OUTLOOK**  
ON ORDER-DRIVEN  
TRADING.  
SUPERMARKET  
MERGERS, AND  
THE SUCCESSION  
AT NATWEST

Question: When is a market not a market? Answer: When it is New Year's Eve in London. The Stock Exchange has decided that its new order-driven trading system is just not up to the job of setting closing share prices for the year now that market practitioners have learnt how to abuse the technology. We can be reasonably certain that the boys around at JP Morgan have learnt their lesson - a £350,000 fine generally helps drive the point home.

But the Exchange is still leaving nothing to chance. For one day at least, it has decided to abandon the simple tradition of allowing prices to be set by the number of buyers and sellers in the market and has called in the bidders instead.

Year-end share prices matter to many more people than just chartists since they are widely used by fund managers for actuarial valuation purposes. Unfortunately Sets is in the habit of throwing up completely unrepresentative closing prices for Footsie stocks, which then distort the index and play havoc with everyone's pensions. Sometimes the distortion is deliberate - as in the well-documented JP Morgan case - but more often it is a simple, unintended by-product of the system. The Exchange has therefore decided that 31 December is just too important a day to rely on its expensive new piece of kit.

Ordinarily, the closing price of each stock is the price at which the last trade went through. On New Year's Eve, that will change. Over to the rule amendment notice issued by the Exchange last night

for a simple explanation of what will happen if a closing price appears to be out of line: "Where that trade price has moved by an exceptional amount compared to three specific (but unpublished) price points in the previous hour, the official closing price will move to that of the previous automatically executed order. The same test referred to above will be applied to that previous automatically executed order until a trade within the defined range is reached. A trade price will be judged to be exceptional if the price movement is above the 99.5 per cent confidence level for the recent historic distribution of price changes over the equivalent time period."

Got all that? Good. Shorn of Exchange, what the notice means is that a proper market will not be in operation at all on New Year's Eve. Prices will not necessarily be set by what has taken place in the dealing rooms but by a statistician calculating what it ought to have happened based on "recent historic distribution".

The Exchange's member firms have closed ranks and agreed to the rule amendment. However, they are not the ones being hurt most by Sets, partly because two thirds of all trades continue to be executed outside the order book. It is the unwitting private investor who has suffered most through the practice of executing trades at "at best" prices.

The Exchange can fix prices for one day but it cannot do it in perpetuity since the stock market, like all markets, is driven

more by fear, greed and emotion than by statistical probabilities. The recent abuse of Sets merely reinforces the point. The longer-term solution being mooted by the Exchange is to fix closing prices by suspending trading each night for a brief period and conducting auctions.

Meanwhile, the Exchange continues to insist cheerfully that there is nothing wrong with the system itself, merely the way it is being used (and abused). Too much money and too many reputations have probably been invested in Sets for it to be abandoned. But there remains a long way to go before it becomes an aid, not an impediment, to a truly even market.

### Has Archie still got the urge to merge?

So is that the end of the putative Asda-Safeway supermarket link-up? The short-term possibilities certainly looked more remote after yesterday's update from Asda. Allan Leighton was definite that hostile bids are not the company's style. With a merger also apparently on the back-burner it looks like the supermarket industry's consolidation - if that's what we're seeing - may have to wait a while.

Of course Asda's management was careful to wheel out the "never say never" line. Nothing that was said yesterday precludes a renewed attempt at an agreed marriage.

Interestingly, Asda seems to feel that an agreed bid would stand more chance

of getting through the competition authorities than a hostile offer. Logically, the reverse ought to be the case. A cosy get-together to create a third force in UK supermarkets that would almost equal Tesco and Sainsbury in size would diminish competition and ultimately inflict higher prices on consumers. Why should the Office of Fair Trading and Margaret Beckett be persuaded otherwise simply because Asda and Safeway both said so?

What is becoming increasingly clear is that Asda may not need a merger with Safeway to close the gap with Tesco and Sainsbury. Asda's sales growth is the fastest in the industry and its market share is now significantly higher than Safeway. Earlier this year these two companies were almost the same size. Now Asda is worth more than £5bn and growing. Safeway is worth £3.5bn and shrinking.

It is possible to dismiss Safeway's recent lls as little more than the normal swings of the supermarket industry's pendulum of fortune. A year ago the whipping boy of the sector was Sainsbury as it lost market share to Tesco and failed to match its rival on innovative marketing wheezes. Perhaps it is just Safeway's turn? But there are key differences. Sainsbury's is a historically sound business that just had a couple of bad years. Safeway is an ordinary one that had a good spell and has now reverted to type. Meanwhile, Tesco and Asda have both put in a five-year winning streak which looks like continuing.

Safeway is hardly a basket case but it looks desperately short of ideas and

more must have taken a pounding. Asda, meanwhile, has developed a successful formula of trading in larger stores, with wider ranges and at prices that are 5-10 per cent lower than rivals. And yet why does Asda still find it so hard to dispel the idea that a merger may be around the corner?

### Shock, horror. Alexander to stay

In search of some light entertainment this Christmas? Then why not ring up the corporate affairs department at NatWest and ask when Lord Alexander is quitting as chairman. Better still, ask if he is being forced out by disgruntled institutions.

The abridged version of the answer runs as follows: "That is totally incorrect, complete guff, absolute fiction. We are at a total loss to know where this idea comes from. To say that institutional investors have made Lord A quit is utter rubbish. No discussions of that nature have taken place and nothing has been decided much less agreed. This is just not an issue. Nothing along these lines has been discussed. Furthermore, we are not recruiting non-executive directors to take over from Lord A. No discussions about his retirement or the succession have been held, no decisions have been made and there has been no pressure from institutions. As far as we are concerned he is still very much our chairman."

So it's all true then?

## Oil industry warns of 40,000 job losses

The big oil corporations have put 34 large North Sea exploration projects on hold because of the uncertainty over the Government's review of the offshore tax regime, the industry has warned ministers. Chris Godsmark, Business Correspondent, reports on new claims up to 40,000 jobs could go if Labour hits the oil giants with a second windfall tax.

The latest evidence submitted to the Treasury will increase the pressure on Gordon Brown, the Chancellor, not to use North Sea oil producers such as British Petroleum and Shell as a cash cow to raise billions of pounds of extra tax revenues.

The figures compiled by the Offshore Operators Association (UKOOA) show that 34 of the 143 investment projects planned by the big oil groups have been deferred until the outcome of the tax review. According to the companies' estimates, up to 105 projects could be abandoned because a rise in taxes would make them uneconomic.

The projects listed, though commercially confidential, are worth at least £100m. UKOOA's submission shows that £10bn of investment could be lost over five years, leading to 30,000 to 40,000 job losses. The industry employs 30,000 offshore workers, with up to 400,000 direct and indirect jobs based onshore.

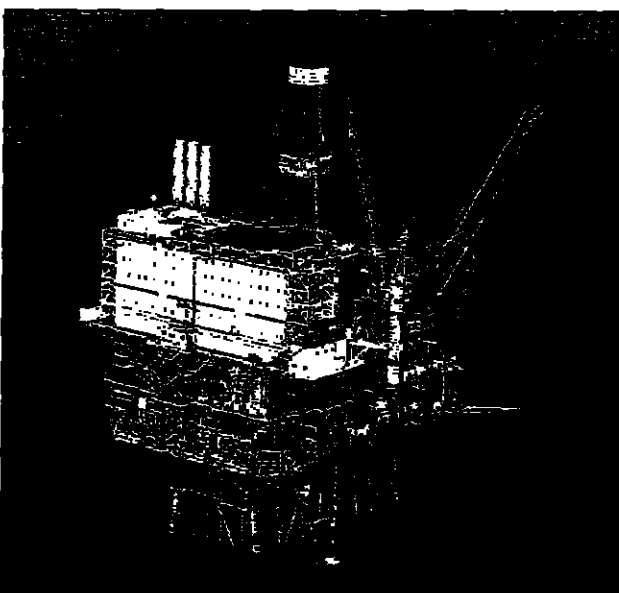
The Chancellor launched the review in last July's Budget, telling MPs it would "ensure that an appropriate share of North Sea profits" were taxed, without damaging investment.

Profits from the big oil groups soared last year as the price of Brent Crude rose to as

much as \$25 a barrel. Though oil prices have fallen in recent months, the industry fears the Government could raise £5bn in a one-off levy similar to the windfall tax on the privatised utilities.

Treasury officials are expected to give ministers a list of policy options before Christmas, though the outcome will not be revealed until the March Budget.

The current regime, dating from 1993, cut petroleum revenue tax (PRT) from 75 per cent to 50 per cent, but abolished tax breaks on exploration projects. The industry paid £1.7bn in PRT in 1996/97, with a further £1.2bn in corporation taxes.



Offshore tax: 105 North Sea projects may be abandoned

## Cold snap sends gas prices soaring to £5 per therm

The pre-Christmas cold snap this week brought the winter's first warnings over fuel supplies, it has emerged, as the standby price of gas soared by more than 40 times on the wholesale market.

The surge came on Wednesday as domestic customers woke up to blizzard conditions and turned up their central heating. The price of gas on the so-called flexibility market, which acts as a safety net to suppliers which failed to secure enough gas in advance to match demand, went up to £5. It compares with the lowest price during December of just 12p a therm.

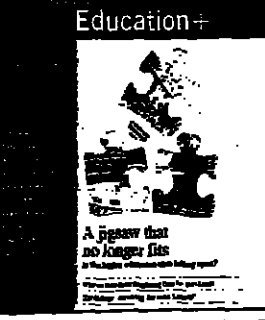
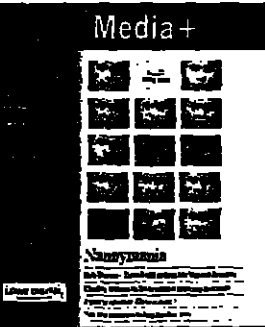
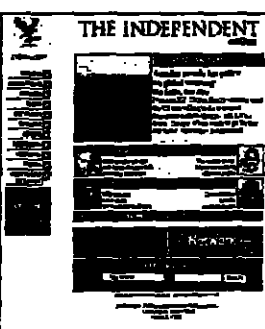
Transco, which runs the pipeline network and manages the flexibility market, said it had spotted the potential for demand to outstrip supply early in the day. "We were buying in gas to cover that eventually and we sent a warning out to shippers that it could be expensive," said a spokesman.

It was unclear whether any suppliers had been forced to buy gas at this price, which could have left them nursing heavy losses. The flexibility price slipped back as the weather eased, but still averaged £1.57 during the day.

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## Japan acts on currency slide as growth forecasts are cut

The Bank of Japan plunged into the foreign exchange market yesterday to sell dollars in support of the yen for the first time in five years. Stephen Vines examines the latest attempt to bring stability to the region while Diane Coyle looks ahead to a report that is expected to cut world growth forecasts.

The Bank of Japan's move, yet to be officially confirmed, indicates that the Japanese government is determined to play a role in stopping the Asian currency slide which has taken a heavy toll elsewhere in the region and could have accelerated if it was felt that Japan would allow the yen to decline in value to make local goods more competitive.

Support for the yen may prove to be more effective than the massive income tax cuts announced on Tuesday. These have been judged an inadequate response to the gravity of Japan's economic problems.

This disappointment was reflected in the Japanese stock market yesterday, with the blue chip Nikkei-225 index dropping by more than 2 per cent. Market sentiment was also depressed by news of the fourth largest post-war bankruptcy taking down the foodstuff trader Toshoku with debts totalling an astonishing \$4bn.

The company blamed the bursting of the "bubble" economy for its woes. Toshoku is the ninth listed company to go under this year.

Meanwhile the long-running scandal of leading stockbrokers' involvement with

racketeers came to a head yesterday with news that Daiwa Securities and Nikko Securities, two of Japan's biggest stockbrokers, were to be severely punished for paying off racketeers who had threatened to disrupt shareholder meetings if they were not paid off.

The Ministry of Finance ordered Daiwa to cease its own account business in stock, futures and options trading for four months, while Nikko received a three-month ban.

Elsewhere calm descended on emerging-market currencies across the globe on Thursday, as South Korea went to the polls.

But worries over the financial stability of South-east Asian currencies moved to Indonesia after Fitch IBCA, the international rating agency, said its credit ratings might be cut to below investment grade because of political uncertainty. IBCA also downgraded the individual ratings of 10 Thai banks.

The continuing Asian turmoil is expected to have led the International Monetary Fund to cut its forecasts for world growth next year.

Meanwhile, it has speeded up its procedures for lending money to countries suffering "exceptional" difficulties.

Only two months after it published its latest forecasts for the world economy, the IMF has said it will update its predictions. The fund has made it clear that the document, to be released on Sunday afternoon, will trim its growth forecast.

In October, the fund's economists put world growth in 1998 at 4.3 per cent, a fraction higher than this year's likely figure. It foresaw a slowdown in the US, UK and Japan, but its prediction of 2.6 per cent Japanese GDP growth now looks very optimistic. So does its 7.4 per cent figure for likely Asian growth.

## Esprit Telecom raises \$300m to fund European expansion

Esprit Telecom, the Reading-based phones company, yesterday raised \$300m (£180m) through a bond issue to fund its expansion into the European business market. The cash will mostly be spent over the next two years to build networks linking financial centres in London, Paris and Amsterdam. It will enable Esprit, which has 4,400 customers in 16 countries, to reduce its dependence on buying capacity from other phone groups. David Oertle, chief executive, said Esprit would open more UK offices and was planning to use some of the funds for acquisitions. Esprit is quoted on Nasdaq and Easdaq in the US.

## Country Casuals talks again

Country Casuals, the women's clothing retailer which has been the subject of numerous takeover discussions in the last few years, yesterday said it was in more talks that may or may not lead to an offer for the company. The shares rose by one-third to 122.5p on the news, which came just four months after the company said it has ceased talks with potential bidders. The company is now valued at £22m. Two of the group's former chief executives, Mark Bunce and John Shannon have previously made bids or been involved in takeover talks for the group. However, it is understood that neither is involved this time. Other potential bidders could include Alexon, the women's fashion chain which expressed an interest in Country Casuals earlier this year. However, it may have its hands full, with the recent acquisition of the Dolcis footwear chain from Sears.

## Triplex Lloyd agrees offer

Triplex Lloyd, the specialist castings group that earlier this year lost out in the battle to take over William Cook, has agreed an offer by Doncasters. Doncasters is paying 280p for each Triplex Lloyd share, equivalent to a total of about £194m, which represent a 22 per cent premium to the company's shares on 1 December. Doncasters makes highly engineered components for tolerance-critical applications, primarily in the aerospace and industrial gas and steam turbine industries. Triplex Lloyd serves the power, automotive and engineering markets world-wide.

## Buyer for Hambros arm

Hambros, one of the few remaining independent British merchant banks, officially confirmed that Générale de Banque, a Belgian bank, is to buy Hambros' corporate banking division. Terms of the deal, part of the Hambros break-up, were not disclosed, though sources said Générale paid less than £1 billion Belgian francs (£33m). Talks on the sale of other parts of Hambros, in particular its core corporate finance division, are thought to be at an advanced stage. Hambros' corporate banking division has around 400 customers, mostly small and medium-sized companies, and employs just under 40 staff.

## Exchange's governance code

The Stock Exchange is to take charge of the Hampel committee's "super code" on corporate governance. The new code is expected to be detailed in the Stock Exchange's listing rules, although companies will not be obliged to follow it. Rather, as is currently the case with the Cadbury code, companies will have to state in their annual reports whether they have complied with the new code. The code is expected to be detailed in the listing rules from the summer, following a period of consultation.

## Tietmeyer signals ECB aim

Hans Tietmeyer, president of Germany's Bundesbank, said yesterday he expected the European Central Bank (ECB) to adopt a money supply target as its method for controlling inflation once the single currency is under way. Although the choice between German-style monetary targeting and British-style inflation targeting will be made formally by the ECB once it is up and running, the preference of its most influential member for monetary targets suggests that Britain might have to adopt them, too, when and if it joins.

## Allied renews hostilities with US rival

Allied Colloids, the chemicals group on the end of a £1.1bn hostile bid from Hercules, launched another attack on its US rival yesterday as the war of words between the two sides escalated.

Allied branded Hercules criticisms of its performance as misleading and spurious. It also said the number of acceptances that Hercules had received, currently 0.94 per cent of Allied's shares, was minimal. David Farrar, Allied's chief executive, said: "Hercules has had to grasp at straws and has had to use thoroughly misleading arguments. Shareholders should reject its rhetoric and its offer."

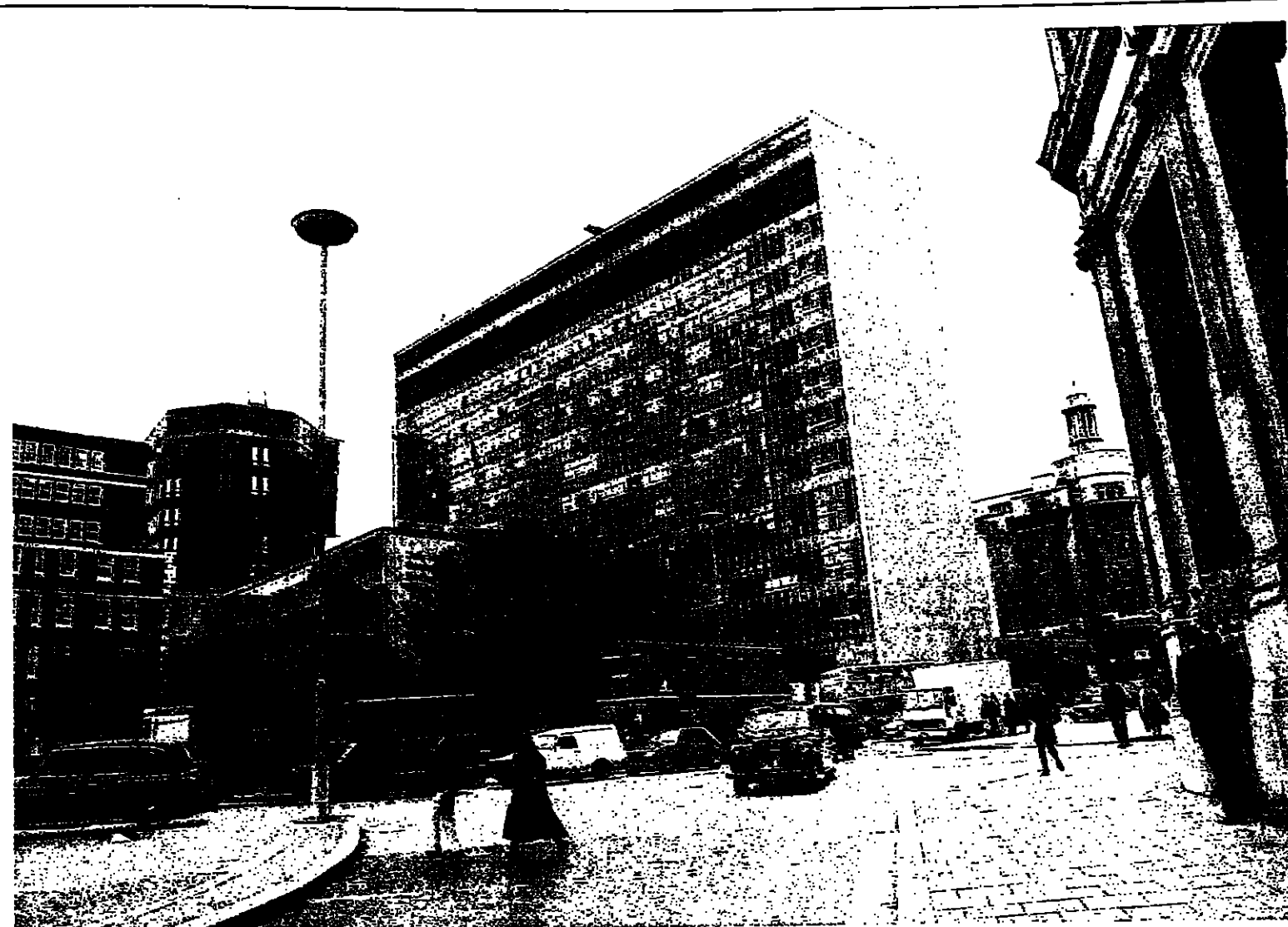
Mr Farrar added that the group was determined to remain independent and that it was not looking at the moment for a "white knight" to protect itself from Hercules. A spokesman for Hercules retorted: "Today's statement has barely addressed the serious questions and concerns we have raised. Once again Allied Colloids has not added any substance to the debate."

Sources suggested Hercules was considering raising its offer to provide a knock-out blow. However, the group is unlikely to raise its bid before Allied produces its final defence document on 4 January.

Allied dismissed suggestions that the acquisition of CPS, a US chemicals group, would dilute earnings and that it was massaging profits at its core business by transferring sales from CPS. Allied is visiting its large institutional shareholders in an attempt to get them to hold on to their holdings.

Allied's shares remained unchanged at 165p.

— Andrew Yates



Months of speculation over the new home for the 5,000 UK staff at Andersen Consulting, the specialist technology consultancy, is set to come to an end in a move that will also decide the future of one of the newspaper industry's most famous sites. The UK arm of Andersen Consulting is believed to be close to signing a deal to move to the former Mirror Group headquarters (above) in

Holborn Circus, central London. The organisation earlier this week called in an arbitrator to resolve its long-running dispute with sister organisation Arthur Andersen. It is currently based alongside Arthur Andersen in offices off The Strand, although the two businesses have separate entrances in different streets. The Holborn building was on a shortlist that also included Canary Wharf in London's

Docklands. A deal could be finalised early in the new year. The search, which has continued for several months, has been made difficult by the fast-growing operation's combined needs for about 300,000 square feet of space and easy access to international airports. Matters have been further complicated by the partners' known preference for a prestigious address rather than

the anonymous collection of floors typically available in Docklands. The move also ends lengthy speculation about the future of the old Mirror building, which has remained empty since the departure in the early 1990s of the media group, which owns a big stake in Newspaper Publishing, publisher of the Independent.

— Roger Trapp

## Watmoughs defence against bidder 'backward looking'

Quebecor Printing Inc (QPI) of Canada yesterday said the defence by its UK rival Watmoughs Holdings against its bid "reveals a company that continues to look backwards in an industry that is changing rapidly".

Watmoughs' defence document stated that its problems were behind it and that it is well placed to generate increasing value for shareholders if it can beat off Quebecor's hostile £188m bid.

However, Quebecor said this document contained "little more than a gloss on Watmoughs' interim statement strategy. The stock market reacted negatively [the Watmoughs ordinary share price fell nearly 9 per cent on the day of announcement] and QPI questions what reassurance this same old strategy offers Watmoughs shareholders".

It said Watmoughs "fails to address the realities of today's competitive printing market; does not print a single top ten UK weekly consumer magazine title [while European competitors already print three such

titles] and recently lost the Mail on Sunday's television guide contract due to intense pricing pressure."

"Watmoughs' strategy of focusing on long run time sensitive and repeat business is no guarantee of future growth. It fails to address the reality of today's printing market in which larger and better invested printers, both in the UK and on the Continent, are competing and will continue to compete for the same business," the company said.

Quebecor said Watmoughs' vulnerability to competition was also highlighted by "the strong performance of QPI's UK operations".

"Through Hunterprint, QPI has successfully expanded its presence in newspaper supplements from approximately 10.7 billion tabloid equivalent pages per annum at the time of Hunterprint's acquisition to approximately 27.8 billion such pages today, an increase of 160 per cent. Of this increase, 29 per cent represents a net gain at Watmoughs' expense," Quebecor said.

### COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Astra (t)	3.91m (3.45m)	190.0m (232.4m)	4.88p (6.57p)	0.91p (0.81p)
DC Cook Holdings (t)	106.5m (100.5m)	1.882m (2.17m)	2.99p (3.45p)	0.84p
Crest Packaging (t)	13.50m (14.59m)	1.824m (2.162m)	3.5p (4.0p)	1.36p (1.38p)
Fine Art Developments (t)	1174.39m (76.85m)	-12.44m (-5.17m)	-14.7p (-4.33p)	3.9p (3.7p)
Hartstone (t)	68.25m (71.53m)	-34.5m (-2.1m)	-10.9p (-0.8p)	0.16p (0.18p)
London Merchant Soc (t) - (t)	68.98m (15.12m)	28.25p (4.05p)	0.9p (0.8p)	
Thames Platts (t)	2.36m (1.34m)	0.014m (0.340m)	0.005p (0.13p)	0.05p (0.05p)
James Stewart (t)	41.56m (41.06m)	3.51m (2.85m)	14.2p (10.7p)	5.5p (5.25p)
VOO Holdings (t)	58.31m (53.03m)	6.15m (6.55m)	14.03p (15.3p)	10.5p (10.5p)
Reg Varsity (t)	409.9m (344.6m)	8.42m (7.86m)	10.4p (10.7p)	2.8p (2.6p)
Warner Estimates (t)	40.37m (23.12m)	12.25m (10.1m)	19.15p (15.9p)	12.9p (12.2p)

(t) - Final (t) - Interim † EPS is pre-exceptionals \* Dividend to be paid as a FID

THE INDEPENDENT

## Photograph Offer

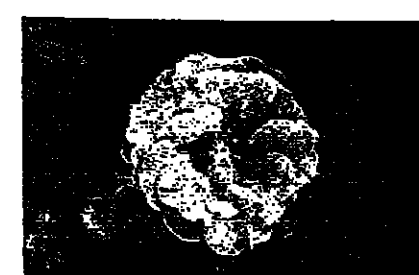
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Pheasant by Brian Harris



Jantar Mantar Observatory (India) by Kalpesh Lathiga



Frosted Rose by Brian Harris

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Please send me: Jantar Mantar Observatory ☐ Pheasant ☐ Frosted Rose ☐ I enclose my cheque, made payable to The Independent, for £ \_\_\_\_\_ (p&p inc.)

Postcode \_\_\_\_\_ Signed \_\_\_\_\_ Date \_\_\_\_\_

Please complete in block capitals and send to: Readers Photographs, The Independent, 1 Canada Square, London E14 5DL



23/SHARE

## Downgrades take a heavy toll among high flying stocks

# MARKET REPORT



DEREK PAIN

**Pearson**, the banking to publishing group being reshaped for the next millennium by American Marjorie Scardino, was under pressure as investment house Merrill Lynch lowered its profit estimates.

The *Financial Times* group weakened on Wednesday after it had warned growth was slowing and Salomon Smith Barney cut its expectations. The US investment house reduced its forecast by 9 per cent to £320m. Last year Pearson produced £356.8m.

It was not clear by just how much Merrill trimmed its expectations. It did, however, say it continued to rate the shares a buy. Pearson, riding high near its 849p peak, took the latest downgrading badly, falling 34p to 790p.

Another under the weather on a profit revision was Marks & Spencer, down of high

street retailers. On Wednesday Société Générale Strauss Turnbull trimmed its profit forecast a mere £20m to £1.14bn. The reduction struck a nerve. With retailers ruffled by the unseasonably slow Christmas sales build up, M&S softened a further 26p to 574p, a 46p fall since the SocGen caution. In the autumn the shares touched 664.5p.

The rest of the stock market tended to drift lower, although trading was often brisk with turnover topping 1 billion shares. There was no evidence of any particularly large trades. Footsie failed to hold an early gain, ending 22.5 points lower at 5,168.3; today's futures expiry created a little unease.

Hays, the business support group, gained 23p to 838p as NatWest Securities said buy. Henderson Crosthwaite lifted its profit forecast, from £180m to

**Kingfisher**, a Henderson buy, moved in the right direc-

Analytical comments provided some action. SocGen put a target of 450p on the IMI engineering group and SBC Warburg said buy; it was enough to lift the shares 12.5p to 408.5p.

**GRE**, however, had to contend with mixed reviews. The insurer topped the Footsie leader board with a 16.75p advance to 340.75p. Trading was brisk. SocGen said sell; Dresdner Kleinwort Benson suggested buy. Warburg, lifting the shares from sell to hold, cut its profit forecast from £205m to £180m.

Asda's interim profit advance pushed the price 7.5p to 178p; its alleged bid target, Sainsbury, up on 7.5p to 336.5p.

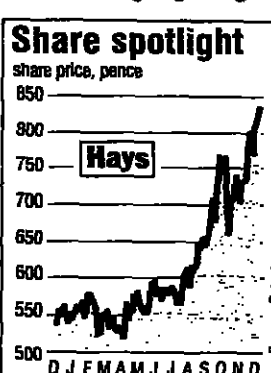
**Diageo's** spirited debut was eroded as the spirit giant fell 10.5p to 580.5p. **Scottish & Newcastle** remained in form, up 27p to 785p.

up 27p to 785p.  
**Engineer Triplex Lloyd** rose 10p to 272.5p as a US quoted group. **Doncasters**, unveiled a £194m offer; 280p a share. **Fashion chain Country Casuals** returned to the bid limelight, gaining 31p

**Share spotlight**  
share price, pence

**Hays**

Source: Datastream



to 122.5p as a mystery bidder appeared.

Shield Diagnostic tumbled 67.5p to 705p following an unexpected delay over the signing of its first commercialisation deal and the continuing failure of Abbott, the US group, to buy into the company. Biocompatibles International was again in the sickbay over its unfulfilled US ambitions, falling 65p to 490p; the shares were 1.420p in the spring. On Oxfex BioFocus, a medicinal chemistry company, gained 13p to 50.5p on the up with ViroPharma, a US group. Entrepreneurial investor Trevor Davies has lifted his BioFocus stake to nearly 19 per cent.

**TransTec**, the engineer linked to the Paymaster General Geoffrey Robinson, slumped 19p to 67.5p, lowest for three years. Conglomerate

TT fell 3p to 280p, a 12 month low, and paper group Ferguson International reacted to a new profits alert with a 36p fall to 94p, worst for more than five years.

Sketchley firmed to 43.5p. Interim figures are due on Monday. There is talk they will be accompanied by corporate action, possibly disposals.

**Chieftain**, the insulation group which early this month revealed trading was going exceedingly well, gained 9p to 91.5p with suggestions of a bid, maybe a management buy-out.

**Abacus**, a recruitment group, jumped 41.5p to 251.5p. First-half profits are expected to emerge at £800,000, despite office start-up costs. In the same period last year the company managed £220,000 with the full year producing £813,000. The shares were 16p two years ago.

## TAKING STOCK

**Azlan**, the troubled computer group, held at 47.5p. There is talk of bid action with, possibly, **Sherwood International**, nursing predatory instincts. Azlan has had a cruel run. At one time it was one of the market's computer stars, reaching 287p. But a botched cash call, followed by accountancy problems and then a £24m rescue rights issue has destroyed its appeal. In the year to April it lost £14.1m against a £10.5m profit in the previous year.

**Internet Technology** gained 6p to 61.5p after disclosing an indirect link with the giant **IBM Corporation**. **Wave Systems**, a joint venture partner, has reached an agreement which could lead to its inexpensive chips being used in PCs. Idea is to allow users to access digital content directly from their desktops.

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## THE INVESTMENT COLUMN

EDITED BY ANDREW YATES

### Diageo looks set to succeed

The merger of Grand Metropolitan and Guinness to create the biggest drinks company in the world is set to revolutionise the industry and has sent competitors scurrying into huddles to talk about their own mergers. But now Diageo has finally been born should investors enter into the spirit of things and buy the shares?

Prompted by the pedestrian growth in the world's spirits markets, the deal is all about cutting costs. Diageo has already said it will chop £195m off overheads but the final figure promises to be much larger as the two groups get down to the nitty-gritty of restructuring the business.

Critics point out that once the shake-up is finished Diageo will just be left with a bigger slice of a stagnant industry. However, after seven months spent negotiating the regulatory maze, the US and European competition authorities have let Diageo off lightly. The group has been allowed to keep the most powerful array of brands in the industry and an unrivalled distribution network, leaving it well placed to continue to pick up market share and gradually put up prices.

Elsewhere Diageo's growth prospects also look attractive. Pillsbury, the US food business, is benefiting from a buoyant local market. Guinness is growing strongly internationally and Burger King is still winning the burger war against McDonald's.

One dark cloud is the financial crisis in the Far East. The economic slowdown in Asia will hit spirits sales, which analysts reckon could wipe £70m off profits this year. That should be put in the context of a group expected to make annual profits of nearly £2bn a year with less than 10 per cent of business coming from the Far East.

Guinness and GrandMet shares rose by more than a £1 to top 600p when the merger was announced in May. However, turmoil in the Asian markets has seen the price drift downwards and Diageo shares opened at 591.5p and slipped another 9.5p yesterday to close at 580.5p.

Merrill Lynch forecasts pre-tax profits of £1.8bn next year and £1.9bn in 1999, putting the shares on a prospec-

### Reg Vardy: At a glance

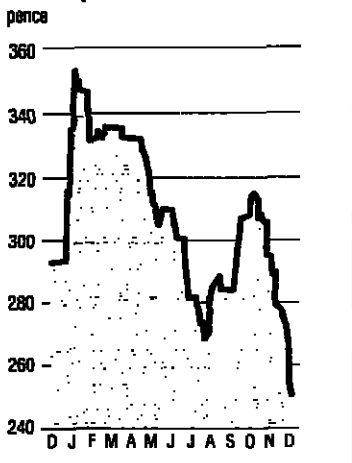
Market value: £139m, share price 243.5p (-5p)

Trading record	1995	1996	1997	1996	1997
Turnover (£m)	377	575	677	345	410
Pre-tax profits (£m)	11.02	14.19	17.09	8.12	8.42
Earnings per share (p)	16.1	20.9	21.7	10.7	10.4
Dividends per share (p)	5.7	6.5	7.5	2.6	2.8

### Gross profit by division



### Share price



tive p/e ratio of 17, falling to 16 the year after. That rating is more than justified, given that Diageo should be able to keep earnings growing at more than 10 per cent a year and the prospect that its strong cash flow will allow more share buy-backs. The shares look good value.

### Revamp takes shine off Vardy

Reg Vardy's reputation as the darling of the motor dealers has lost its shine this year. In early 1997 its shares hit an all-time high of 352p after tripling in just four years. Then investors hit the brakes. In the past 10 months the shares have dropped by almost a third.

Vardy was sufficiently concerned to rush out its interim results three weeks ahead of schedule. But the numbers, which showed a 5 per cent increase in operating profits on a 17 per cent jump in sales, did little to reassure the mar-

ket and the shares shed another 5p to close at 243.5p.

The death of Diana, Princess of Wales, which affected sales in the key month of September, knocked over £0.5m off profits. But Vardy says re-organising its dealer network is the main reason for the margin squeeze.

As one of the most successful dealers around, Vardy is in great demand with manufacturers as they seek to award larger franchises. Long term, this is good news. But in the short term it must absorb the cost of buying, relocating and refurbishing various dealerships.

In the six months to October, Vardy added five franchises to its network, taking the total to 51. The group expects to hit its target of 60 some time next year. It has also launched a contract hire business, which lost £240,000 in the period and will not break even until 1999.

With gearing of just 7 per cent, Vardy can afford to splash out. While the benefits will take several years to flow through, they should be worth the

wait, Williams de Bono, the stockbroker, has pencilled in a full-year profit forecast of 18.7m, placing the shares on a forward p/e ratio of 10.5. For most motor dealers, this would be fair. But given Vardy's superior track record the shares are worth a look.

### Fine Art split looks promising

Fine Art Developments' decision to demerge its greetings card operation into the newly formed Creative Publishing in September has increased shareholder value a little, but both companies remain on huge discounts to their sectors.

Fine Art was hit by a profits warning last year due to problems in the Express Gifts division, and the poor sentiment appears to be lingering on. However, first half operating profits were £1.3m ahead to £3.1m and all three divisions - home shopping, educational supplies and charity catalogues - did well.

Overseas sales in the second half will be affected by strikes in France and Canada, as well as the strength of sterling. Nevertheless analysts have left full year forecasts unchanged. Though the company says it is looking for acquisitions, Fine Art may well find itself on the receiving end of a bid itself.

On full year forecasts of £21.5m, the shares, which rose to 169.5p yesterday, trade on a forward p/e of 10. It would make a good fit with a larger mail order group such as N Brown or Otto Versand, who could push the product through their larger databases.

At Creative Publishing, which is Europe's largest greetings company, the shares have withered since the demerger, but once again results looked promising. Operating profits, before demerger costs of £7m, were 19 per cent higher at £5.1m and the direct retail division, which designs, produces and distributes cards to retailers, is storming away.

As the lowest-cost producer with a strong market share and a client list that boasts companies such as Boots and Marks & Spencer, prospects look encouraging. On increased forecasts of £16m, the shares - up 1.5p to 145p - are on a lowly rating of 11 and look attractive.

## PEOPLE & BUSINESS

### JOHN WILLCOCK



The following conversation was overheard by a colleague the other morning while he was waiting for a Waterloo and City Line train (otherwise known as The Drain).

First City gent: "It's looking like I'll have to wear the late tie today."

Second City gent: "What's that when it's at home?"

First: "It's a hideous tie that whoever is latest into the office has to put on for the day."

Second: "How odd."

First: "It gets worse. If you are more than 15 minutes late you also have to wear this gruesome pair of Royal Insurance cufflinks."

The station announcer interrupts: "Owing to a defective train, services on this line are currently subject to long delays."

The two City gents look at each other. The train finally arrives, they get on and travel to Bank where they depart and head in the direction of Guardian Royal Exchange.

All very strange.

How wonderful, how very festive, to see Michael Heseltine and John Prescott united under the same banner for once. Well, almost.

Way back in the Thatcherite eighties Hezza founded a company to raise City funds for urban regeneration, and christened it: "Inner City Enterprises".

Yesterday ICE accepted an £8m bid from Enterprise, an AIM-listed company also dedicated to urban renewal, and headed by David Taylor - an old friend and part-time adviser to John Prescott, the Deputy Prime Minister.

Perhaps Tarzan and the former Cunard steward should take a lead from this amicable merger, and pool their ideas on resurrecting our inner cities. I'm sure they'd get on like a house on fire.

If you ever thought that receivers were the modern-day equivalent of Scrooge, then take heart from David Swaden of Leonard Curtis.

Obviously Mr Swaden has completed his conversations with the ghosts of Christmas Past, Present and Future, since he has just thrown a party for the residents of a nursing home which he took over as receiver a month ago.

Although Mr Swaden wasn't actually there in his party hat, he did provide the funds for the knees-up at the Greenfields Nursing Home, Oswestry, Shropshire.

The liquidator-turned-Father Christmas tells me: "We are very keen to ensure that everyone at Greenfields feels as secure as possible about the future of the nursing home and one way of demonstrating our belief in its continuing is to provide some Christmas spirit."

Quite right too. And while Mr Swaden is looking for a buyer, the nursing home has actually increased its number of residents from 40 to 45, with a couple more expected before Christmas.

While we're on the subject of festive good works, here's a banker who's come over all environmental. Herschel Post, chief executive officer of Coutts, the Queen's bank and NatWest subsidiary, has just been elected chairman of the charity Earthwatch Europe.

Mr Post says: "Our challenge is to bring environmental literacy to those in the City. Blimey. The best of British luck, mate. I would have thought most people in the City this Yuletide would be too busy counting either their fat bonuses or their not-so-fat redundancy payments to have time for worrying about green issues."

Undaunted, Mr Post adds: "Why should a fund manager acknowledge a company's environmental performance when assessing shareholder value? What are the risks involved in the environment? ... Earthwatch believes that the City needs to recognise and support environmental responsibility within the corporate sector."

Absolutely. Oh, and I've just spotted a fleet of pigs doing loop-the-loops over Liverpool Street Station.

Remember the British Lions' superb achievements during the summer in South Africa? Reuters has sponsored a series of 15 luncheons enabling rugby fans to meet various present and former members of the Lions, culminating in a huge bash today in London for 1,100 people.

Some 7,500 fans have had the chance to vote for their "Dream Lions" team, drawing from 60 players stretching back to the 1970s. All 15 players selected will attend today's bunfight. And the winners are: full-back, JPR Williams; right wing, Gerald Davies; inside-centre, Mike Gibson; outside-centre, Jeremy Guscott; left wing, David Duckham; fly half, Barry John; scrum half, Gareth Edwards; No 8, Mervyn Davies; open-side flanker, Fergus Slattery; blind-side flanker Mike Teague; second-row No 5, Gordon Brown; second-row No 4, Willie John McBride; tight-head prop, Graham Price; hooker, Peter Wheeler; and loose-head prop, Fran Cotton.

### Foreign Exchange Rates

Country	Spot	1 month	3 month	Dollar	Spot	1 month	3 month	D-Mark	Spot	1 month	3 month
UK	100.00			0.6018	0.6023	0.6041	0.6038				
Australia	253.53	253.29	252.97	1.5292	1.5297	1.5295	1.5297				
Canada	20.69	20.70	20.70	1.5136	1.5136	1.5136	1.5136				
France	610.48	610.50	610.45	36.725	36.693	36.530	20.834				
Germany	235.80	235.82	235.81	1.4246	1.4229	1.4208	1.4204				
Italy	1150.17	1150.17	1150.17	6.7893	6.7893	6.7893	6.7893				
Japan	146.67	146.67	146.67	11.07	11.222	11.147	10.957				
Netherlands	89.37	89.37	89.37	5.3765	5.3765	5.3765	5.3765				
Spain	163.79	163.79	163.79	1.6547	1.6547	1.6547	1.6547				
Sweden	255.86	255.86	255.86	1.7754	1.7754	1.7754	1.7754				
Switzerland	465.83	465.80	465.80	2.9011	2.9011	2.9011	2.9011				
Taiwan	22.63	22.63	22.63	7.2543	7.2543	7.2543	7.2543				
US	1.4518	1.4518	1.4518	1.4518	1.4518	1.4518	1.4518				
South Africa	291.07	291.07	291.07	1.7453	1.7453	1.7453	1.7453				
South Korea	216.72	216.72	216.72	1.4518	1.4518	1.4518	1.4518				
Thailand	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
India	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Indonesia	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Malaysia	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Philippines	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Singapore	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
China	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Hong Kong	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
New Zealand	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Argentina	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Brazil	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Chile	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Colombia	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Costa Rica	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Cuba	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Dominican Republic	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Ecuador	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
El Salvador	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Guatemala	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Honduras	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Kenya	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Laos	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Madagascar	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Mali	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Morocco	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Nicaragua	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Peru	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Rwanda	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Senegal	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Sierra Leone	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
South Africa	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Spain	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Sweden	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Switzerland	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Taiwan	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Thailand	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
Turkey	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				
US	25.15	25.15	25.15	1.4518	1.4518	1.4518	1.4518				

### Other Spot Rates

Country	Spot	Dollar	Country	Spot	Dollar
Argentina	16823	100.00	Oman	0.6396	0.3850
Brazil	18233	114.43	Pakistan	73.14	44.000
Canada	62.76	73.14	Pakistan	73.14	44.000
Chile	82.76	73.14	Pakistan	73.14	44.000
Colombia	56.97	34.20	Pakistan	73.14	44.000
Cuba	56.97	34.20	Pakistan	73.14	44.000
Dominican Republic	56.97	34.20	Pakistan	73.14	44.000
Ecuador	56.97	34.20	Pakistan	73.14	44.000
El Salvador	56.97	34.20	Pakistan	73.14	44.000
Guatemala	56.97	34.20	Pakistan	73.14	44.000
Honduras	56.97	34.20	Pakistan	73.14	44.000
Kenya	56.97	34.20	Pakistan	73.14	44.000
Laos	56.97	34.20	Pakistan	73.14	44.000
Madagascar	56.97	34.20	Pakistan	73.14	44.000
Mali	56.97	34.20	Pakistan	73.14	44.000
Morocco	56.97	34.20	Pakistan	73.14	44.000
Nicaragua	56.97	34.20	Pakistan	73.14	44.000
Peru	56.97	34.20	Pakistan	73.14	44.000
Rwanda	56.97	34.20	Pakistan	73.14	44.000
Senegal	56.97	34.20	Pakistan	73.14	44.000
Sierra Leone	56.97	34.20	Pakistan	73.14	44.000
South Africa	56.97	34.20	Pakistan	73.14	44.000
Spain	56.97	34.20	Pakistan	73.14	44.000
Sweden	56.97	34.20	Pakistan	73.14	44.0







# Holloioake's philosophy helps England to have some fun

England go into today's Champions Trophy final against the West Indies in Sharjah full of confidence and as favourites but Derek Pringle warns that they underestimate their opponents at their peril.

This was not the final the organisers were hoping for. Like two interlopers who had drunk the bar dry and polished the food, England and the West Indies, who compete today for the Alai-Singer Champions Trophy, have spoilt the party. For only the second time in Sharjah cricket's 16-year history, neither India or Pakistan will feature in the final, a fact that is certain not to please their countrymen who make up the lion's share of the workforce within these wealthy princedom.

As the only side with an unbeaten record, as well as a decade of one-day dominance over the West Indies, England must surely start favourites. They are a confident team led by a confident young captain and playing ultra efficient cricket. Adam Holloioake may dread all manner of things, but none of them seem to exist on a cricket field, a characteristic that appears to have rubbed off wholesale on his team.

There is less formality on display too and players feel at liberty to enjoy themselves. At the official dinner on Wednesday night, England's players, led by Alec Stewart who danced a waltz with a belly-dancer, entered into the fun. Graham Thorpe, not someone you normally find swinging from the chandeliers, then delivered a strikingly good imitation of Geoff Boycott to the 600 guests before Holloioake senior, rarely a shrinking violet took to the stage and attempted to balance a walking cane on his nose.

For those who had witnessed the long faces in Zimbabwe a



England leave the field with their 'coffins' after a practice session ahead of today's Champions Trophy final against the West Indies in Sharjah. For only the second time in the competition's 16-year history neither Pakistan or India will take part in the final

year ago, the bonhomie here has been both remarkable and contagious. Blowing hot and cold is something that has been seen as endemic within English cricket, so how did Holloioake explain the warm glow created here?

"Team atmosphere is a funny thing and it really comes down to having a few strong characters in the side," said England's one-day captain

yesterday. "If the main players are whinging, moaning people then that will breed throughout the side. But if those guys are extrovert, confident and positive, then that will spread throughout the side instead."

Citing Warwickshire's Dougie Brown as the kind of down to earth cricketer he respects, Holloioake went on to say he was looking for players who

would treat the Prime Minister of Pakistan in exactly the same way as he would a rickshaw driver.

"What you find then, if you take that attitude on to the cricket field and you meet Brian Lara, is that you don't see him any differently to the bloke playing his first one-day international.

"If you don't do that, then

you start saying that this player is better than that one and you start to become intimidated by them, as well as underestimating the other guy, who you then think can't play."

Holloioake may not yet be an orator in the Winston Churchill mould, but his philosophy is a sound one. More fittingly, it is categorically the right one to adopt against this West Indies

team, now showing signs of revival after their abject tour of Pakistan, and England underestimate them at their peril.

Having been virtually down and out, Courtney Walsh's side have raised themselves here with some intelligent and spirited cricket. They may lack England's all-round soundness, but when did a West Indies side last take all the wickets to fall

to bowlers with spin, as they did the other night against India?

The answer is probably not since the days of Sonny Ramadhin and Alf Valentine in the early 1950's. They may have met already once in this competition, but England must beware: this is not a conventional West Indies team, and apart from the three fast bowlers - Walsh, Merv Dillon

and Franklin Rose - they have not played conventional Caribbean cricket.

Nevertheless, with two days to prepare the pitch - the same one England have used in their previous three matches - the groundsman feels it will behave as it did during the opening game of the competition, offering less spin and more pace. Despite murmurs that Ashley Giles may come into the side, it is a combination that will probably see England play an unchanged side.

With an over-reliance on Alec Stewart, who has been superb along with the bowling and fielding, it is only the batting that can realistically be improved. Maintaining the momentum after a breezy start, has been the stumbling block for most sides, and England's middle-order must avoid being asphyxiated by leg-spinner Ravi Lewis and his off-spinning counterpart Carl Hooper.

England's bowlers too, so effective when backed by athletic razor sharp fielding must not get complacent. Lara may look out of form and generally out to lunch, but he is still the one player on both sides capable of turning the course of a match on its head. If he gets runs, both English efficiency and Holloioake's captaincy may well be given their sternest test yet.

Happily however, it is a contest that can now be seen on television in Britain, with highlight packages being shown today on BBC2 and again on Grandstand tomorrow. With Sky having made a substantial offer for live broadcast - thought to be in the region of £25,000 - rejected by Worldtel, the owners of the broadcasting rights, the drama still may have a twist or turn left in it.

So, no doubt, does the cricket and win or lose, England have proved that one-day cricket is best played with what might be called, all-round specialists. As the song goes, once you have seen Paris there is no going back.

## Powell fails to find support from batsmen

England Under-19 were let down by their batting again yesterday as they were bowled out for 192 - 123 behind the South African Student XI on the second day of their three-day match in Port Elizabeth.

The tourists, who have yet to post a score of 300, contrived to lose wickets in clusters to make life extremely difficult for themselves. Three wickets went on 38, two on 94 and three on 175

following a partnership of 79 between Graeme Swann (44) and Chris Schofield (34).

At 96 for 6, the prospect of having to follow on loomed large, but Swann and Schofield stayed together for 25 overs until the latter was given out leg before to the off-spinner Morgan Mibbo, despite playing a long way forward. The acting captain, Stephen Peters, and Graham Napier had earlier looked in

good form but had not been able to build on good starts.

The students were 14 for 0 at the close in their second innings. Earlier, resuming on 255 for 4, they had declared their first innings on 315 for 9, with the Essex off-spinner Jonathan Powell picking up four wickets in his first match of the tour.

**TOUR MATCH** (Second day of three) Port Elizabeth: South African Students XI 192 for 9 dec (D Morris 105, G King 76, J C Powell 4-42) and 14 for 0; England Under-19 XI 192.

## Danes join NatWest party in 1999

Denmark will take their place in the NatWest Trophy in 1999, adding to the international flavour of English cricket's enlarged 60-over tournament.

The England and Wales Cricket Board yesterday confirmed the Danes' inclusion in the one-day competition, which will be contested by 60 teams in two years' time. When Denmark enter the NatWest, they will have to play away from home

during their first campaign, but the situation will be reviewed for 2000 depending on the quality of a new grass square being laid at Brøndby, near Copenhagen.

The opposition will comprise the existing participants Scotland, Ireland and the Netherlands, along with the 18 English first-class counties and 38 amateur teams representing the new County Boards in England.

## Warne: 'I didn't spit the dummy'

The Australian spin bowler Shane Warne said yesterday that he is not too upset with the media's "petty" fascination with his weight.

However, the leg spinner did make an outburst against what he called the "negative" Australian media. He also admitted he was not at his fittest, but he maintained he could still help win matches for Australia.

On Tuesday, he abruptly walked out of the unveiling of a wax model of himself - as soon as a journalist asked him about his weight. Warne, Victoria's Sheffield Shield captain, said: "I just want to clarify... a lot's been said about me storming out. I wasn't upset, I didn't spit the dummy."

"I thought it was an issue that was petty. I didn't think it was worth going into details. I

wanted to get out of there and go and play golf.

"I thought 'Why am I standing here while some bloke asks me about my weight?' Next week it will be something else."

Warne said he was not the fittest he had been in his career, but he added: "You tell me to go and bowl 30 overs on the last day of a Test match and help win the match for Australia. I reckon I can do that."

## TENNIS

### Injury slows Sampras' resumption

Pete Sampras, the World No 1, has been forced to delay his return to training after injuring a calf muscle in the Davis Cup final. However, he still expects to defend his Australian Open title next month.

The American sustained the injury during his opening singles match in last month's 5-0 defeat by Sweden in Stockholm which ruled him out of the rest of the final. He had expected to be on the practice court by now, but it will be another couple of days before he picks up a racket.

However, he is confident that postponing his return will not hinder his prospects in the first Grand Slam tournament of 1998 at Flinders Park, Melbourne, starting on 19 January. "It's taking a bit longer than I'd like," Sampras said. "I'd been hoping by this time to do some training and be hitting some balls, and I really hope to hit balls by the weekend. If that's not the case, I'll be a little worried. But there's no question I'll be ready for the Australian Open."

The 26-year-old has completed this year's circuit ranked world No 1 for the fifth consecutive time. He also won a fourth Wimbledon title as well as the Australian Open, in which he beat Carlos Moya to win the event for the second time.

Sampras is among the eight-man line-up, which also includes Greg Rusedski, the British No 1, for the Kooyong Classic, the traditional curtain-raiser to the Australian Open in the preceding week.

## SAILING: WHITBREAD ROUND THE WORLD RACE

### Leaders neck and neck as Swedes suffer mast damage

A second yacht has been hit by mast damage as the Whitbread fleet at least makes fast progress towards the Bass Strait on the third leg of the Whitbread Race.

Leg two winner Swedish March, skippered by Gunnar Krantz, last night reported buckling on both sides of the near 100-foot aluminium tube in the section between the deck and the keel.

But the Swedes, who are in fifth place, were continuing to race hard at what is now seen as a crucial stage of the race. With 400 miles to go to King

Island at the entrance to what is a notoriously difficult piece of water between the southern tip of Australia and the island of Tasmania, the leading group of yachts are only 14 miles apart in the 2,250-mile chase from Fremantle to Sydney.

Still leading was Dennis Conner's Toshiba, skippered by Britain's Paul Stanbridge, but there is a big spread of over 150 miles from the most northerly boat to the most southerly and even slight variations in weather conditions can make for big differences in speed.

Six hours of better breeze would put any one of them in the lead as they then turn up on the east coast of Australia for what is tuning into a concentrated 500-mile match race to the finish.

Going fastest last night was Grant Dalton in Merit Cup, although he was praying that he would be able to give his yacht the light to moderate conditions in which he felt he had an edge over the opposition.

International weather routing expert, Roger 'Clouds' Badham, who is based in Sydney, was forecasting there

would now be a breeze to bring the fleet all the way to the finish, something for which both the competitors and the organisers would be thankful as the predictions of their arrival time in Sydney have been slipping back and back. They are still expected on Tuesday.

The strong Chinese team got into its Southern Cross Cup stride yesterday on a grey and rainy Sydney Harbour, whipped white by a gusting south-easterly breeze.

It also produced a few hairy moments for crews coping

with the more difficult conditions.

Their 66-foot brand new Exile owned by Warwick Miller pulled a first and a third out of the hat, despite narrowly missing a big collision on the start line of the second race with Young Australia.

With Karl Kwok and his new Farr 49-footer Beau Geste, with Gavin Brady and Geoff Stagg at the back, adding a third and a second, China took a 43-point lead over Australia.

The British 43-footer Quest, crewed by a Royal Navy team,

reversed a disappointing 22nd in the first race of the day to pick a sixth in the second with skipper Mickey Broughton hoping to consolidate the improvement in tomorrow's two races, a pair of windward/leeward outside the harbour entrance.

**WHITBREAD ROUND THE WORLD RACE** (third leg, 2,250 miles, Fremantle to Sydney): 1 Toshiba (US) P Stanbridge 107% miles to finish; 2 EF Language (Swe) P Cayard 92 miles behind leader; 3 Chesapeake Racing (US) G Collins 74; 4 Silk Cut (GB) L Smith 78; 5 Intrepid Waterman (Nor) K Frostad 142; 6 Swedish March (Swe) G Krantz 16; 7 Merit Cup (Monaco) G Dalton 187; 8 EF Education (Swe) G Gullou 277; 9 Brunel Surveyor (Neth) R Heiner 28.

— Stuart Alexander in Sydney

## Wind of change brings respite for my wet and weary crew



GRANT DALTON

Hard work and little sleep made for a tough start to the third leg of the Whitbread Race for Merit Cup. However, as her skipper reports, things are looking up.

Soon we will know what Santa has brought us for Christmas. At the moment it feels more like a lucky dip than a promise to deliver our wish list. This game certainly frays the nerves and I am not sure how well we are going to be able to celebrate with our families when they join us in Australia for the break through the New Year.

When we were halfway to Sydney there was still nothing in it. It has been close racing since the start of the third leg from Fremantle and having everyone so close is a real incentive to keep levels of concentration high.

I can't recall a Whitbread leg where the leaderboard has changed so often and it's going to change again before it is all over.

Almost from the start last Saturday, we have been on the wind. A pounding beat south to Cape Leeuwin and then across the Great Australian Bight. The conditions have not been to our liking and they have been very tiring for the crew.

The weather has not been that bone-crunching, boat-breaking stuff that we have had on other legs, but it has certainly sapped the crew's strength. We had five days on the rail - uncomfortable, wet and wearying. I got my first real sleep on Tuesday night, our fourth night at sea.

It always takes the boys a day or two to settle in after a restart and meal times are not a high priority when it's a beat into the wind from the world go. We did not enjoy the first five

days - not only because it's been uncomfortable, but also because our position in the fleet has been none too flash.

However, as Mike Quilter, our on-board philosopher and navigator, says: "We have to live with our weaknesses."

Merit Cup's weakness, plain for anyone to see, is her ability, or lack of it, upwind compared with some of the other yachts. That was our trade-off for downwind performance. We are really happy with that, especially in a light to moderate breeze.

The upwind work was not unexpected, but it is completely different weather from the three previous Whitbread starts from Fremantle when the fleet went south in search of the westerly breeze.

This time, with Sydney the objective instead of Auckland, we took a more easterly route, dictated by the high-pressure system pushing into the area, and had to beat into the south-easterly breeze coming off the top of it.

By yesterday the wind had come around a little and we were able to start reaching. We have also been able to take the sails off the rail on deck (where they had been stacked for five days to help stability). The wind shift is more to our liking, although it was predicted to be light for the next 24 to 36 hours. It could also be patchy.

As I write this we are doing only six knots and it has been like that for a few hours. However, we have started pushing south a little in the expectation

of the breeze being a little stronger there. If we get a good breeze we have an excellent chance of shoving some of our potential in light to moderate air.

The weather over the next few days should give us the opportunity to catch up if the wind even out right over the fleet. From then on, we think the breeze will kick in and we will run into Bass Strait. Once we turn the corner, the whole fleet could be bunched again for the final push up to Sydney.

Everyone wants to win, but everyone also knows that we are finally seeing just how well these boats are matched and the difference between walking tall in Sydney and stamping on the dockside waiting for the fourth leg to Auckland is hairline thin.

## SKIING

### Seizinger equals Kilby's win record

Germany's Katja Seizinger won her sixth straight race yesterday in Val d'Isère to equal Jean-Claude Killy's World Cup record for consecutive victories.

The Frenchman had his record streak in January 1967, winning three downhill, two slaloms and a giant slalom. Seizinger has had the luck of the schedule, with six consecutive speed events.

Seizinger has not lost since finishing fourth in a slalom on 28 November at Mammoth Mountain, California. "Everything went smoothly again today," she said. "I'm happy that I can now be mentioned in the same breath as Killy."

Seizinger started the winning run with a super-G victory at Mammoth Mountain, won two downhill and a super-G at Lake Louise, Alberta, and took the sprint downhill on Wednesday in Val d'Isère. "I am very sure on my skis right now and that's why I can attack better. That's my secret of the moment," she said.

With her 34th career victory, Seizinger broke a record she shared with the former Liechtenstein racer, Hanni Wenzel, for third place on the women's career list. Anne-Marie Moser-Proffl of Austria tops the all-time list with 62, while Switzerland's Vreni Schneider is second with 55 successes.

Seizinger will face a tough test in today's giant slalom, with Italy's Debbie Compagnoni enjoying a seven-race winning run in the discipline.

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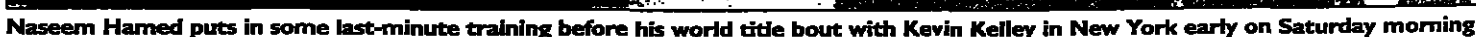
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# Prince poised to fulfil his American dream



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